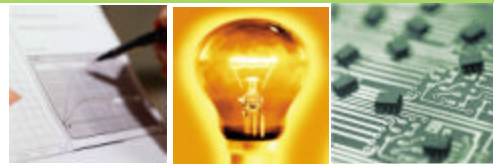


# Global Economic Development Strategy

## REPORT 1: COMMUNITY ASSESSMENT



Presented to:

THE CITY OF MANCHESTER, NH

August 2005

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*"Destiny is not a matter of chance, it is a matter of choice - it is not a thing to be waited for, it is a thing to be achieved"*

*- William Jennings Bryan*

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AngelouEconomics is pleased to present the *Community Assessment* as part of the City of Manchester, New Hampshire's *Global Economic Development Strategy* plan. The Community Assessment examines economic trends and local community perceptions to identify Manchester's top assets and challenges. The next reports delivered in this *Global Economic Development Strategy* process will offer recommendations for selling the city and its facilities to existing businesses for expansion and new businesses for relocation and growth. Additionally, the recommendations will layout ideas for correcting any problems that are currently hindering Manchester's growth, as well as offer solutions for expanding services and facilities in working to grow business for long-term prosperity.

We encourage you to review this information thoroughly and provide us with your comments and insight. Thank you for your input.

Angelos Angelou, Principal



Chris Engle, Vice President and Senior Analyst  
Lee Ann Woods, Project Manager  
Ryan Gray, Research Manager



### Introduction

This report evaluates the City of Manchester's performance in areas that are most critical to business and industry growth. Using data that was either provided by the Manchester Office of Economic Development, the City of Manchester, other local entities, and information collected independently by AngelouEconomics (AE), this report allows us to take a step back and evaluate trends and data before we select Target Businesses or make recommendations for improvement that will result in healthy economic growth for the city. This report assesses Manchester's current economic situation, perceptions held by individuals and groups within the community, and the trends that have shaped the city. Specifically, we **evaluate Manchester's readiness for economic growth and prosperity**, with some review of identified competitors, and a **strategic view of global trends** and their impact on the New England region, working to create directives for Manchester. AE has conducted a review of five key areas and issues that are critical to economic development.

1. *Business Climate*
2. *Sites & Infrastructure*
3. *Education and Workforce Development*
4. *Quality of Life*
5. *Economic Development and Marketing*

The above factors are important to both prospective and existing businesses, and in determining strategies to strengthen the area's economy. In each of these areas, the city's strengths and weaknesses will be outlined to identify the most appropriate set of target businesses for future programming efforts. Understanding these factors will enable AE and Manchester to answer three important questions: Which businesses match the values of our community? How can Manchester attract and retain the industries that will support the city's long-term quality and prosperity? What are the global trends Manchester can leverage for its own prosperity? This community profile is the first step on the path to enhancing the city's overall competitiveness.

#### Our Methodology

AngelouEconomics (AE) used a variety of sources to collect the quantitative and qualitative information that aided our analysis. The consulting team collected studies and materials developed for the City of Manchester and the region by both government and private parties.

**Quantitative data was collected from national and state sources**, including the Bureau of Labor Statistics, Census Bureau, ACCRA, the State of New Hampshire, and other credible resources. **AngelouEconomics also gathered qualitative data** through focus groups, interviews, and community tours. AE met with local economic development officials, city officials and staff, civic leaders, major employers, developers, and representatives from colleges and universities in the area. The discussions and interviews focused on the perceptions of both Manchester residents and city business owners and workers on such topics as growth and development, business climate, infrastructure, livability, education, working environment, and the general economy.

Rather than rely on typical community profile data, **the community assessment is issue-based** and structured so that the issues identified as having the highest level of priority are outlined and discussed, with data tables to back up the discussion. This format is useful to policy makers in helping them understand and prioritize the issues facing Manchester. **The report will lay the foundation for the second report: the Economic Development Strategic Plan.** The Strategic Plan will provide recommendations on strategies for enhancing Manchester's economy. The recommendations will include target industries, tactics to attract and retain specific business, and methods for maintaining the city's excellent quality of life. Recommendations include actions for specific areas, including zoning,

infrastructure, services, and development. The report will contain detailed and actionable strategies covering the following: Workforce and Education, Quality of Life, Business Climate, Sites and Infrastructure, and Economic Development and Marketing.

The chart below provides an overview of the Strategic Plan process for Manchester.

## Economic Development Strategic Plan Process

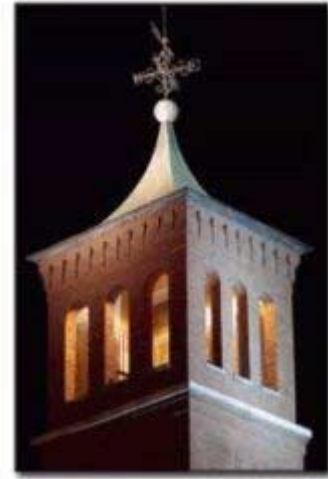
PHASE ONE	PHASE TWO	PHASE THREE	PHASE FOUR
<b>SET UP</b> Introduce project team Define expectations, timelines and Advisory Committee Launch Project website <b>COMMUNITY OUTREACH</b> Up to 30 one-to-one interviews 4-6 focus groups	<b>COMMUNITY PROFILE</b> Economic Analysis Competitive Analysis SWOT Analysis Trip 2: Deliver Community Profile report, collect public input	<b>ECONOMIC DEVELOPMENT STRATEGIC AND MASTER PLANS</b> <b>Vision/Objectives</b> Target industry Identification Business Attraction, Expansion and Retention Strategy List of Target Businesses Trip 3: Deliver Strategic Plan Report	<b>ROLL-OUT EVENT</b> (Optional) Present final report to the community at a public roll-out event



This Community Assessment marks the completion of Phases One and Two in a three-phase project. The summary and analysis of the information in this report will allow us to develop recommendations that address the issues raised in this report and ensure that Manchester is prepared for the future.

## MANCHESTER AT A GLANCE

Manchester is the Queen City of New Hampshire. As the major economic center of the "Live Free or Die" State, the city continues to exemplify the independence and pragmatism that the state motto embodies. New Hampshire has one of the highest percentages of college-educated citizenry in the country at 29%. Manchester is lower at 27%, but this still exceeds the U.S. average. Manchester's cost of living is 15% higher than the U.S. average but very competitive with neighboring communities such as Boston and New York.



Manchester is the largest US city north of Boston. Eleven colleges and technical schools reside in the area, the city's telecommunications infrastructure is advanced, and it continues to receive strong reviews from both business and consumer publications including: Top 10 – "Best Small Metro Areas to Start and Grow a Business" (*Inc. Magazine*, 2004), Five-Star Quality Rating of "Communities Best Suited for Business Expansion or Relocation" (*Expansion Management Magazine*, 2000), and "#3 Best Economy for 2003" (World Economic Development Alliance).

Small businesses are becoming the cornerstone of Manchester's economy. There are an increasing number of incentives and programs being created to support and stimulate this activity at the state level.

Quality of life is one of the city's major strengths. Manchester is undergoing both an area-wide and downtown transformation. The river represents the city's greatest potential asset in drawing both community residents and visitors to the area. *The development of downtown neighborhoods as well as new entertainment venues will be tremendously beneficial to the city's position for both residents and businesses.*

Manchester has seen slow but steady employment growth over the last few years. Income levels have also risen with job growth, reflecting a continuing shift from manufacturing jobs to higher-wage technology and service jobs for the area.

### MANCHESTER MSA AT A GLANCE, 2004

	Manchester MSA	Boston MSA	New Hampshire	Mass.	U.S.
Population	207,161	3,434,699	1,303,425	6,457,204	293,686,994
Growth '00-'04	4.44%	0.97%	5.47%	1.70%	4.36%
Population Forecast 2009	217,318	3,466,469	1,382,117	6,576,114	308,074,238
Growth '04-'09	4.9%	0.92%	6.0%	1.8%	4.9%
Employment	116,617	1,778,346	703,025	3,265,070	136,799,974
Employment Growth '00-'04	6.86%	2.06%	8.01%	3.33%	5.45%
Median Household Income	\$54,279	\$59,820	\$53,114	\$54,359	\$45,660
% 25-44	29.7%	31.3%	28.4%	29.8%	28.7%
% Bachelor's or Higher	27.0%	39.5%	28.7%	33.2%	24.5%
Average Wage	\$41,402	\$49,714	\$37,542	\$46,513	\$37,348
High Tech Employment	2.2%	2.1%	1.4%	1.8%	1.3%
Publicly Traded Companies	69	1,296	153	1,495	34,200

Source: AngelouEconomics; Census

Note: The Manchester MSA is defined by the Census Bureau to include parts of Hillsborough, Merrimack, and Rockingham counties

**Crime rates are extremely low in the city.** According to FBI statistics, New Hampshire has the lowest crime rate in the US. This is a terrific situation for continued business growth and development.

The City's New England locale, with its proximity to the Ports of Portsmouth and the International Trade Resource Center in Portsmouth, positions Manchester well for future growth in industries that will benefit from the globalization of markets and the economy.

Like many cities, Manchester is working to find a balance between economic development and preserving its high quality of life, appearance, and history. There is a need for new types of jobs in the area. City leaders and the Economic Development Office are seeking to diversify and solidify the tax base with business expansion, recruitment, and retention **with a forward-looking approach to the New Global Economy.**

Overall, Manchester residents are very proud of their community; they actively seek to preserve its historic feel and quality of life. The city's efforts at eliminating blight, adding curb appeal, and its commitment to responsible zoning code enforcement have begun to show results.

Manchester's economic growth now requires a proactive effort to generate new jobs and a more diversified commercial tax base. **This will mean a community-driven effort with a thorough understanding of global market dynamics to grow an economic base that represents the greatest opportunity for future prosperity.**



MANCHESTER SUMMARY	
STRENGTHS	WEAKNESSES
Geographic Location	Lack of Space to Accommodate Large Employers
Redevelopment Efforts	Lack of Skilled Labor
Number of Higher Learning Institutions	Declining Population of Young Professionals
Central Location	Lack of Amenities
Good Quality of Life	Lack of Business Support Systems

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

## Demographic & Economic Conditions

The Manchester MSA grew approximately 19% from 1990 to 2004, exceeding the growth rate of the U.S. by 1.1% and New Hampshire by 1.7%. This is a moderate rate, and similar growth is projected over the next ten years. Special attention must be given to the age brackets in which growth is occurring. This will provide an accurate review of economic conditions, while allowing for planning for overall and demographic growth rates.

Population growth is currently slightly above the United States and exceeds average growth projections across the country. New Hampshire, along with the New England area, has garnered a great deal of attention in the last couple of years through on-going growth in high-profile industries. This bodes well for the future of the state, as well as Manchester.

- In 2004, the Manchester MSA had an estimated 207,000 residents, a 19.2% increase from 1990.
- The fastest growing age demographic is the 45-64 year-old group, which is similar to the rest of the country.
- Similar to the U.S. and parts of New England, Manchester will see gains in ethnic diversity, although at much lower levels. The Hispanic population will continue to increase as a percentage of the local population.

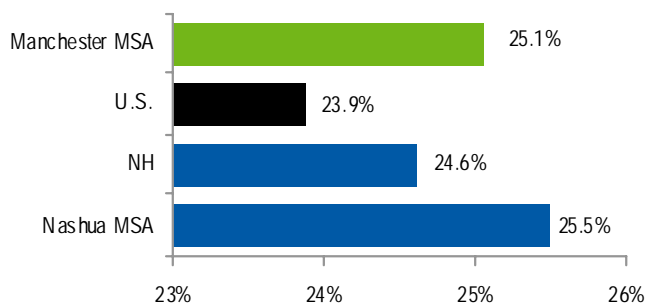
## Regional Population Growth

	Population 2004	1990-2004 Growth
Manchester MSA	207,161	19.2%
Nashua MSA	200,307	19.1%
Concord City	42,837	19.0%
Manchester City	110,642	11.1%
Merrimack County	145,942	21.6%
Hillsborough County	654,288	36.1%
New Hampshire	1.3M	17.5%
Massachusetts	6.5M	7.3%
US	294M	18.1%

Source: US Census

## POPULATION GROWTH

1990-2009 (PROJECTED)

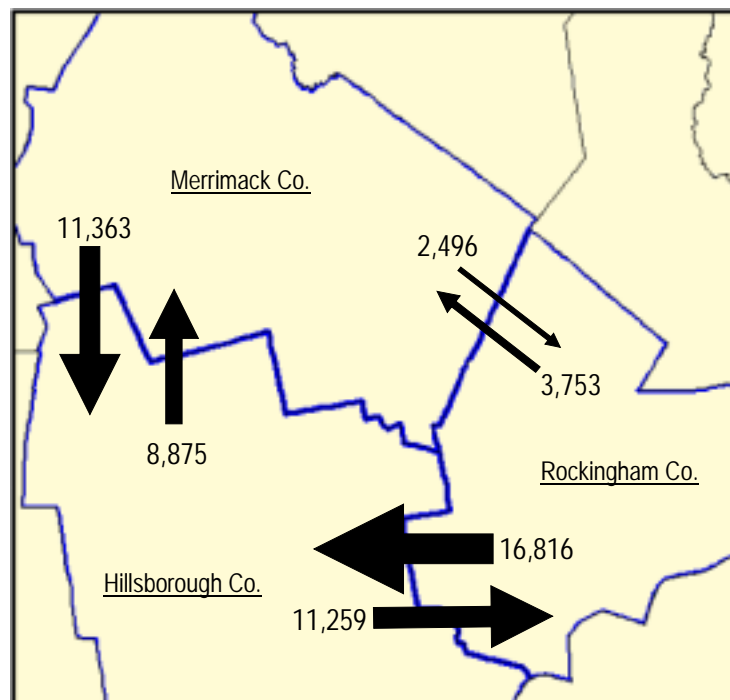


Source: Census Bureau

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Commute times are increasing for Manchester residents, consistent with regional trends.

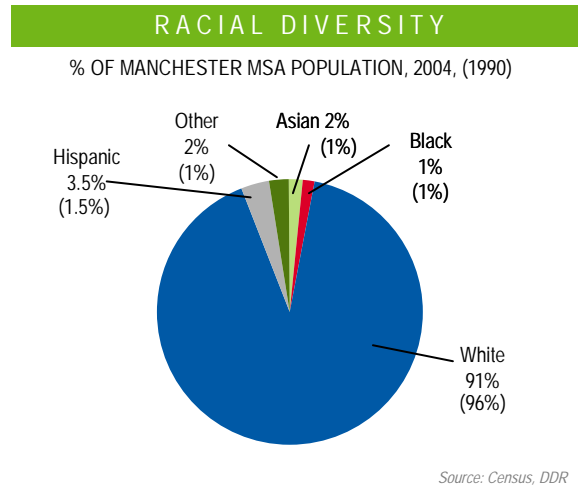
- Hillsborough County commuting patterns show an inflow of residents from surrounding counties with a net gain of 8,000 people per day.
- Merrimack County commuting patterns show an outflow of residents from surrounding counties with a net loss of approximately 1,200 people per day. This does not represent a large loss.
- Rockingham County commuting patterns show a daily outflow of residents of 20,569, with a net loss of 6,814 people per day.
- Median commute times to and from work are:
  - Hillsborough County - 14 minutes
  - Boston - 28 minutes
  - U.S. - 26 minutes
- Of the commuters coming into Hillsborough County from Merrimack and Rockingham Counties, roughly 60% of the commuters travel from Rockingham County, and approximately 40% come from Merrimack County.



## Demographic Trends

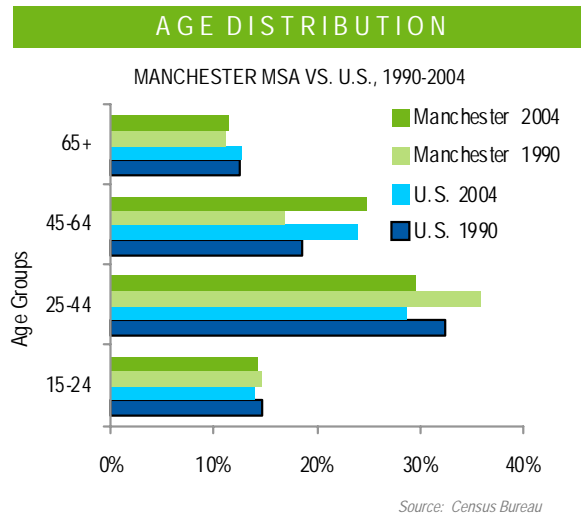
The racial composition of Manchester is much less diverse than the U.S.

- 91% of Manchester citizens are white compared to 60% in the United States.
- 1% of Manchester's population is black, compared to 12% in the nation.
- Hispanics now account for 3.5% of the population in Manchester, up from 1.5% in 1990. Hispanics currently account for 14% of the U.S. population and are expected to increase as a percentage of the total population nationally.
- Manchester's only other ethnic category to register a significant increase is the Asian population, which has doubled from 1990 and now accounts for 2% of the population.



Manchester's age distribution is similar to national averages, with the exception of the 25-44 age demographic in which it exceeds the national average.

- Manchester's age distribution shows a similar demographic shift caused by the aging of the baby boomers generation. The 45 and older demographic is growing at a higher rate than the U.S.
- The **median age is 37, a significant increase from 1990**, when it was 32.
- Two critical demographics to study are the 25 to 44 year-olds and the 45 to 64 year-olds. These groups respectively represent the **early and late career workforce**.
- The 25 to 45 age group is exceedingly important as many new and **small business owners and entrepreneurs** can be found in this group.
- This age group is also important because **it represents the area's workforce** and accounts for a large percentage of population regeneration.
- Manchester's percentage of those in the **early career age group is higher** than the state and national averages, but is declining. This group represented 36% of the population in 1990, but only 30% today.



## Housing

Manchester offers a wide range of housing options, but supply is thin in the low to middle segments of the market, with very little inventory in affordable, multi-family, or single-family attached categories.

Manchester has an **adequate amount of housing in the middle to high-end** range of the market.

- Approximately 75% of Manchester homeowners live in affordable housing relative to income levels; this is **comparable to the national average**.
- **70% of renters live in affordable housing**, which is just below the U.S. average of 77%.
- Median home values in Manchester are similar to New Hampshire, but higher than national averages. Home values are competitive when compared to New England's large metropolitan areas, such as Boston.

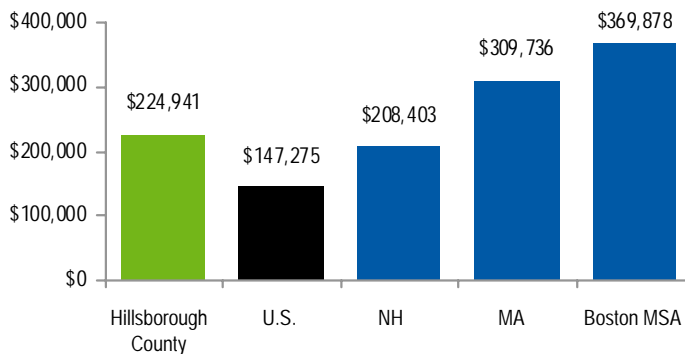
## Education

The educational attainment of Manchester residents is high as New Hampshire continues to receive recognition for the rich tradition of its public and private postsecondary education institutions. Quality programs are expanding, in large part due to the growing demands of the business community.

- New Hampshire and Manchester have slightly higher levels of educational attainment than the U.S., with the State at 29% and Manchester at 27%, compared to the U.S. average of 25%.
- Massachusetts and Boston rank significantly higher. The percentage of adults with a bachelor's degree in Massachusetts is 33%, with Boston a high 40%. Both are well above the national average.

### HOUSING PRICES

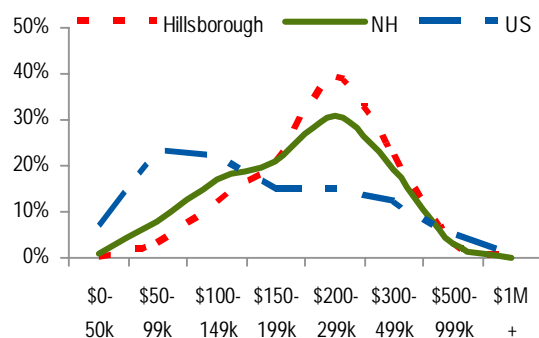
MEDIAN HOME VALUE, 2003



Source: Census

### HOME VALUE

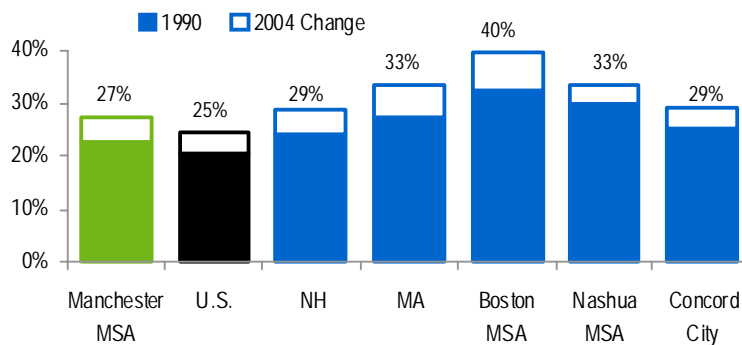
DISTRIBUTION OF HOME VALUE, 2003



Source: Census

### EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITH BACHELOR'S DEGREE OR HIGHER

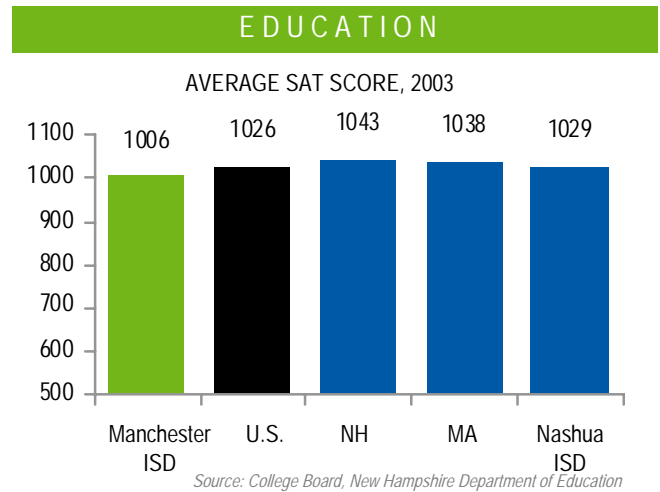


Source: Census

## K-12 Education

On a per capita basis, New Hampshire ranks fourth in the nation for the number of students taking the SAT, and the top ten states are all in New England. This speaks to the emphasis given at the schools for higher learning. However, among residents interviewed during focus groups the perception of Manchester schools is poor.

- New Hampshire spends an average of \$6,738 per pupil, approximately 25% below the U.S. average.
- High school students' average total SAT score is below the state average (a 37 point differential) and below the U.S. average (a 20 point differential). Students performed poorly on the math sections.
- Average ACT scores have dropped slightly in Manchester since 1999, though cities outside Manchester have helped to raise the overall ACT scores for the County.



### Postsecondary Educational Institutions

Name	City	Enrollment	Major Programs with percentage of degrees
Hesser College	Manchester	3,067	Business/Mgmt (38%), Math/Comp. Sci. (22%), Vocational/Home Eco (12%)
New Hampshire Institute of Art	Manchester	56	Fine Arts (100%)
Saint Anselm College	Manchester	2,008	Business/Mgmt (19%), Life Sciences (18%), Humanities (16%)
Southern New Hampshire University	Manchester	4,474	Business, community econ dev, culinary arts, education, hospitality, and liberal arts.
University of New Hampshire-Manchester	Manchester	1,500	Data not listed
NH Community Technical College	Manchester	4,024	Math/Comp. Sci. (37%), Sci/Eng. Tech (16%), Life Sciences (15%)
Granite State College (Formerly College for Life)	Concord	1,794	Business/Mgmt (13.2%), Social Sciences (16.9%)
Mass. College of Pharmacy & Health Science	Manchester	72	Medical Sciences (90.8%)
Franklin Pierce College	Rindge/Concord	3,316	Business/Mgmt (13.3%), Law (14.8%), Arts and Music (13.3%)
Springfield College	Springfield, MA	5,090	Social Service Professionals (48.6%)
Chester College of NE	Chester	187	Visual and Language Arts (100%)

**Manchester boasts several colleges, universities, and technical schools in the area, with two Ivy League schools within a short drive.** These schools are invaluable assets for the area, with each excelling in a number of programs. While there is a lack of engineering and science degree programs in Manchester, that is off-set by the offerings in Boston – and Manchester will be able to draw from those resources, including those graduates.

## Transportation Infrastructure

**Manchester is located in the center of New Hampshire's highway system.** Manchester provides excellent access to Boston, Burlington, Portland, and New York City. **New Hampshire is the gateway to northern New England, which also provides access to the world.**

The region's multi-faceted transportation system and global access are noteworthy assets. Manchester is well positioned to take advantage of these assets, as well as utilize access to the Seacoast and Boston areas and other areas throughout New England.

New Hampshire is known for its well-maintained and extensive highway system. The major Interstate highways that connect the state to the area are routes 93, 95, and 89. There are several major construction projects now underway that will further strengthen Manchester's transportation infrastructure: the Granite Street widening, Exit 5 completion, I-93 widening and the Manchester Airport Access Road. The proposed widening of Interstate-93, from Salem to Manchester, will double the lane capacity from two lanes to four in each direction. This will provide much needed relief, as the interstate is currently exceeding its maximum capacity of sixty to seventy thousand vehicles per day.

**The Manchester Airport is one of the area's greatest assets.** The Manchester airport provides non-stop service to more than 15 cities throughout the U.S. and Canada. Following the completion of a new terminal in 1993, the number of passengers increased from 1.1 million in 1997 to 3.6 million in 2003.

**The Manchester Airport is also the third largest cargo airport in New England,** having handled 181 million pounds of freight in 2002. Private and corporate aircraft are served by the Airport's FBO, Wiggins Airways.

Guilford Transportation, St. Lawrence and Atlantic, New England Central, New Hampshire Northcoast, and the State of New Hampshire provide railroad service in the state. Planning is underway to extend Massachusetts Bay Transportation Authority (MBTA) service through Nashua and potentially Manchester. Currently, bus services provide transportation to Boston and other New England locations.

Manchester is in close proximity to **The Port of Portsmouth**, which is a deep-water port and is the site of a State-operated marine terminal.

### HIGHWAYS: New Hampshire

U.S. Highways: 93, 95, 89  
State Highways: 101  
Other: 3A, 3

### COMMON CARRIERS:

Air Freight Companies: 3  
Total Gates: 17  
Bus Services – Inter-City: Yes  
FBO: Wiggins Airways

### RAILROADS SERVED BY:

Guilford Transportation, St. Lawrence and Atlantic, New England Central, New Hampshire Northcoast, and the State of New Hampshire

### NAVIGABLE WATERWAYS:

Nearest Port Facility: Port of Portsmouth

### AIR SERVICE: Manchester

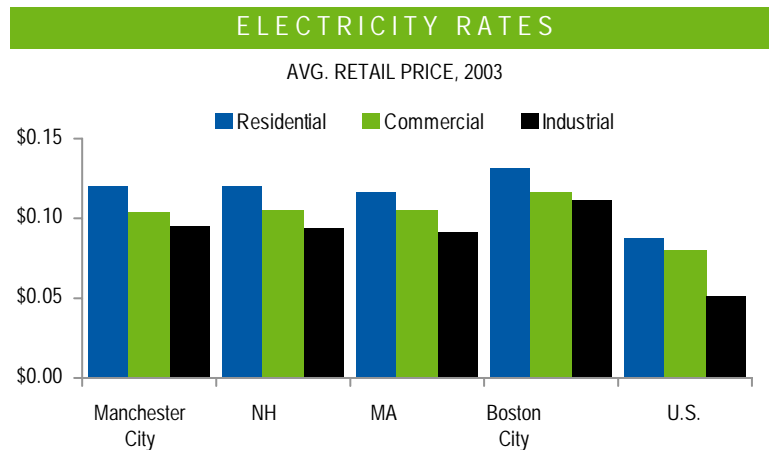
#### Nearest General Aviation:

Manchester Airport  
Location Identifier: MHT  
Distance from City: 3 miles  
Lights: Dusk-Dawn  
Runway Length: 7,000 ft. & 9,250 ft.  
Repair: Major Repair Capabilities  
Transportation: Taxi, Bus, Shuttle, Rental Car, and Limousine  
Number of Carriers: 14  
Number of Direct Destinations: 28  
Over 200 commercial passengers and air cargo flights each day

## Utility Infrastructure

Although electricity rates are higher than the national averages, New Hampshire remains competitive with other states throughout the northeast. New Hampshire's utility companies are meeting the state's industries' power needs and are poised to meet those requirements into the future.

Manchester's electric needs are served by **Public Service of New Hampshire (PSNH)**. PSNH is very active in Economic Development as well as with its commitment to helping businesses grow. PSNH has the additional capacity to supply reliable energy for the area's anticipated future growth.



Source: EIA / DOE

Electricity Assessment		
	Rating	Detail
Access	High	Electricity service is not a limiting factor for development
Reliability	High	No brownouts or blackouts
Capacity	High	Additional capacity is available
Price	Moderate	Pricing is competitive

There is an ample supply of natural gas to the principal industrial centers in New Hampshire, including Manchester. **Keyspan Inc.** supplies natural gas and propane to the Southern New Hampshire market, including most areas of Manchester. The company is public traded (NYSE: KSE) and is involved in economic development through its offerings of incentive rates and specialized services to businesses in Manchester.

**Manchester Water Works**, which is city owned and operated, is the State's largest water utility company. The water is drawn from a surface watershed, Lake Massabesic. The city has a state of the art water treatment plant adjacent to the lake, possessing an estimated yield of 20 million gallons/day and a maximum hydraulic capacity of 40 million gallons/day. Current city use is approximately 17.4 million gallons/day. There is a new facility nearing completion which will increase capacity further.

New Hampshire has high-grade telecommunications data infrastructure throughout the state. Companies and residents are assured access to adequate bandwidth in any region. **Manchester is served by Verizon Communications** for telephone and telecom needs. Verizon has over 120,000 miles of Fiber Optics throughout the State.

The City of Manchester has over **300 miles of public sewer and a modern 34-million gallons/day secondary treatment plant** -- these services are provided by the Environmental Protection Division. The EPD functions as an enterprise and is fully supported by user fees and grants. The EPD provides the highest quality services at the most competitive costs while maintaining all permit requirements in accordance with Federal and State requirements.

## Cluster Analysis

Traditionally, the economic growth of regional economies has been described in terms of the growth of a region's basic (or primary) industries. These industries typically export their goods or services outside the region, supporting ancillary industries such as retail, housing construction, and personal services. Historically, the location distribution of these facilities has been largely attributed to natural advantages (e.g., natural resources and climate), cost factors (e.g., distance to market, labor costs), and existing transportation infrastructure. However, new economic structures and the globalization of economies put these competitive factors in a new perspective.

### Top Ten Manufacturing Employers

Osram Sylvania  
Freudenberg NOK  
Velcro USA, Inc.  
Union Leader Corporation  
Harvey Industries, Inc.  
Kalwall Corporation  
Sanmina Corporation  
FCI-Burndy Products  
Summit Packaging Systems  
Poly-Vac div. Symetry Medical

*Source: NH Business Review, 2004*

**Increased competition and the emergence of the technology industries have altered the location requirements of many businesses.** Firms are increasingly drawn to regions because of formal and informal relationships with public sector institutions, such as education and training facilities that can supply a trained pool of workers. These new linkages establish **developing industrial clusters** in which new businesses build relationships with existing specialized supplier firms throughout a metropolitan region. These clusters then attract additional supplier firms and supporting business from outside of the area. By creating a critical mass of production, labor, and information, related original equipment manufacturers (OEMs) and supplier firms are attracted to these developing cluster regions to take advantage of the existing human and physical infrastructure.

## Clusters

Definition: A cluster is measured by comparing local industry employment share to national averages. Clusters indicate the strength of an industry in an area relative to the United States. A cluster is calculated by dividing the regions percentage of employees in an industry by the U.S.'s percentage in the same industry. A value greater than one indicates that a region has a stronger cluster than the U.S.

The calculation is as follows:

$$\frac{\left( \frac{\text{(Regional Industry Employment)}}{\text{(Total Regional Employment)}} \right)}{\left( \frac{\text{(U.S. Industry Employment)}}{\text{(Total U.S. Employment)}} \right)}$$

## Manchester Clusters

Manchester was built on the strength of the textile industry, which is long gone and unlikely to return. Residing in Financial Services, Semiconductors, and Communications Equipment, Manchester's clusters are weak, because they are not deep. Although *Manchester has some strong businesses in these industries*, **this is not an accurate cluster assessment**, because there are not enough support businesses in these categories to truly claim a cluster.

There are a number of other types of businesses, but no strong clusters in Manchester. The overall Business Climate for further development of Industry Clusters and other business tools must be examined.

**A list of Manchester's largest employers demonstrates a strong diversity of economy.** While positive, a number of these businesses are in declining or non-growth Industries, and they are silo operations with very little in the way of cluster through vertical support businesses.

**Manchester's largest employer is Elliot Hospital**, which fully establishes the city's potential draw in the medical field. An analysis of the economic impact of the health care industry on Manchester will be explored in the recommendations portion of this project. While the city has a diverse economy and real opportunities in technology industries, as well as other expansion industries, Elliot Hospital, Dartmouth-Hitchcock Clinic and Catholic Medical Center represent opportunities for growth in health care for the city.

### Cluster Distribution, 2004 Manchester and Boston MSA



Source: Dun and Bradstreet, AngelouEconomics

The above cluster distribution analysis demonstrates industries in which Manchester has “strengths” as measured by the number of people employed. The centerline (“1.00”) indicates the national average in each of the listed industries. The comparison is given due to the interest in Boston, MA for the purposes of this study. A cluster is typically identified by an industry in a single community in which there are numerous companies, with varied inputs to that industry (ex: manufacturing, service, back office, specializations, etc.).

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## SWOT Analysis

### Purpose of the SWOT Analysis

The *Community Assessment* contains an overview of the trends impacting the city's current business conditions. It includes population demographics, worker education, income and wages, industrial composition, trade, and taxes.

Each section of this document includes a snapshot SWOT analysis. These incorporate the perceptions of the area that the consulting team gathered during its interviews, focus groups and tours. It also considers how closely those perceptions align with the economic and demographic information presented.

The community's own perceptions of Manchester as a place to live and work are important. Public input gathered from businesses identifies specific problems that must be addressed in order to retain local companies. It also highlights the attributes that should be enhanced even further and marketed to outside companies. Similarly, the perceptions of residents indicate to local leaders the areas in which improvements are needed in order to retain skilled workers, as well as qualities that could be promoted to draw in educated residents.

The cluster analysis quantifies Manchester's current industry strengths. Businesses are drawn to areas that have existing clusters because of the benefits they provide, such as a ready supply of skilled workers, facilities, and suppliers. Identification of the area's clusters will allow Manchester to conduct a targeted approach to recruiting new businesses.

### SWOT Analysis Overview

The first phase of developing a plan of action is to build a baseline for Manchester to learn which weaknesses need to be addressed and which strengths must be promoted to make the city conducive for economic prosperity. The assessment is structured around five factors critical to Manchester's future success:

1. **Factor 1: Business Climate:** The capacity of the public sector to support business expansion and development opportunities. Topics explored include: Tax Rates, Regulatory Climate, Business Expansion/Development Support, Communication and Collaboration and Specific activities, and Climate for Entrepreneurship.
2. **Factor 2: Workforce & Education:** Programs and delivery of services by organizations and institutions involved in workforce development and education, including K-12 education, community colleges, universities, and workforce development boards/organizations. Topics explored include: Educational Attainment; Communication and Collaboration between Workforce/Education, Economic Development Organizations, and the Private Sector; Resource Allocation; and Effectiveness of Delivery of Services.
3. **Factor 3: Infrastructure:** County and regional infrastructure, as well as site-specific infrastructure to support business expansion and development. Topics explored include: Transportation (roads, rail, air), Utilities (water, wastewater, electricity and gas), Telecommunications, Land and Real Estate, and Business Sites.

<b>Strengths</b>	<b>Opportunities</b>
Positive Internal	Positive External
<b>Weaknesses</b>	<b>Threats</b>
Negative Internal	Negative External

- 
4. **Factor 4: Quality of Life:** Issues that influence an existing or potential resident to reside or a company to expand or relocate in a particular area. Topics explored include: Cultural and Entertainment options, Recreational Amenities, Low Crime Rate, Diversity of Housing, Medical Facilities, and the Environment.
  5. **Factor 5: Economic Development Efforts:** The activities of local, regional, and state organizations involved in any form of economic development activity. Topics explored include: External Promotion and Marketing, Internal Promotion, and Resource Allocation.

*The findings presented in this report reflect the collective effort and input of numerous individuals representing both the public and private sectors. We thank them again for their time and commitment to this project.*

AE characterizes our "SWOT" in these terms:

- Strengths (Positive, Internal): Positive attributes currently present in Manchester, particularly in comparison to competitors and the U.S.
- Weaknesses (Negative, Internal): Local issues or characteristics that limit the current or future growth opportunities for Manchester
- Opportunities (Positive, External): External factors that offer Manchester potential for remedying its weaknesses
- Threats (Negative, External): Trends that threaten Manchester's future and attractiveness to new Industry

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## BUSINESS CLIMATE

## 1.0 BUSINESS CLIMATE

New Hampshire's economy is driven by the Puritan ethic. This attitude is reflected in the state's low taxes, skilled labor force, and easy access to state officials as well as the way it treats small businesses.

However, in return for low taxes, **New Hampshire doesn't provide re-locating businesses with subsidies, exemptions, or other cash allowances.** The state's tax structure is business friendly and includes no broad-based personal income tax, no sales tax, no use tax, no inventory tax, no equipment/machine tax, and no capital gains tax. There are also state loan programs, possessing standard incentive programs, with the exception of the State's Export/Import Assistance program that is offered through the **Office of International Commerce**, which is a model program. Manchester businesses can also take advantage of the Community Reinvestment Opportunity (CROP) Zone program. Under this program, businesses located in designated Census tracts in Manchester, which includes the downtown and airport areas, can apply for tax credits against the state's Business Profits Tax and the Business Enterprise Tax.

New Hampshire's economy is strong. According to the New England Economic Project, **the Granite State's economy is slated to grow faster than both the New England region and the nation.** The increase of small business coupled with a growing entrepreneurial environment is resulting in steady growth.

Manchester is placed in an incredibly dynamic region of the world with tremendous opportunity in several sectors. While there are a number of issues related to its progress and prosperity, a targeted effort that focuses on existing assets and works to create and develop specific new assets will make Manchester a global market leader.

### Issue 1: There is an opportunity for Manchester to further support its growing businesses.

#### 1.1 There are few incentives for existing or relocating businesses.

Several developers and city officials from Manchester and other communities expressed this opinion. While business tax rates are a concern in many communities, they are not in Manchester. Rather, respondents expressed a desire for well-structured incentive programs. There are comparatively few competitive incentive programs at either the local or state level. Because state tax incentives are unconstitutional, public/private partnerships, university-driven initiatives, and locally initiated direct incentives should be reviewed and considered.



#### 1.2 Neither the Manchester Economic Development Office nor Manchester Chamber offer adequate incentives to support growing businesses.

Manchester's Economic Development Office (EDO) came into existence with a very specific mission directed largely at recruitment. This meant an effort focused on bringing new manufacturing and industrial businesses to the area. The EDO has also worked to support local retention efforts for existing businesses, but this has not been the focus.

The Chamber is similar to those in many other cities around the country as it often plays host to companies through networking events, ribbon-cuttings, and similar activities. Neither entity currently provides programs offering businesses direct help; such as business plan seminars, financing support, mentoring, and grant writing support.

### 1.3 There is a lack of communication between business and other potential sectors of the business community.

Two of the primary assets in Manchester are its business leadership and the area's numerous College and University residents. These two sectors of Manchester's economy have not yet come together in a meaningful way for the creation of new job education and training programs. **Additionally, there is a need to examine, seek out, and develop other educational and training resources that can be brought to Manchester in support of its growth.**

## Issue 2: Manchester's development process is somewhat arduous.

### 1.4 The commercial development process is not easy or cost efficient for developers.

Some developers, city planners, and economic developers stated through interviews and focus groups that development in Manchester is inefficient when compared to neighboring communities.

**The development process is long and bureaucratic.** Manchester's development process takes several months on average, according to developers in the area. While there was no indication as to whether this slowed process was with the political or governmental bodies, the issue was raised several times during community interviews. It was stated by several in the real estate industry that the development process in surrounding communities often requires less time and is perceived to be less bureaucratic. While there are various state regulations that may slow the overall process, there may be strategies the City can institute which will move the local process forward more quickly.

**There is a program called MEDAT that serves as a preliminary review process of major real estate projects.** MEDAT is a great start to efficiency, and is not adequately promoted – many are unaware of this process. However, developers are still unable to meet with varying city departments at the same time to gather the costs of all required permits and fees.

## Issue 3: Manchester is well placed geographically.

**The city is easily accessible.** Manchester's location is a great asset for business relocation and expansion. The expanded transportation routes and transit functions will further enhance Manchester's level of competitiveness.



## Issue 4: Funding sources to support businesses are limited in scope.

### 1.5 Local businesses rely heavily on traditional financing.

Many of Manchester's existing companies, as well as prospects, currently rely upon their own debt/equity financing (as opposed to bank debt), and many times it is money from outside the local area. There is strong banking activity, however, there will need to be an effort to generate private monies and programs for both retention and recruitment efforts. Examples of this might include an angel network, or private capital funds.

Banks		
Rank	Banking Institution	NH Deposits*
1	The Royal Bank of Scotland Group, PLC	\$5,310.40
2	The BankNorth Group, Inc.	\$3,974.48
3	Bank of America	\$1,813.36
4	Chittenden Corporation	\$1,077.72
5	Sovereign Bancorp, Inc.	\$1,032.17
6	LSB Financial, Inc.	\$607.19
7	Northway Financial	\$471.07
8	NH Thrift Bancshares	\$427.81
9	Community Bank & Trust Company	\$350.01
10	Mascoma Mutual Holding Company	\$349.50
Source: Federal Reserve Bank of Boston, 2004		*Millions

**Local banks have similar product offerings.** As a result, residents and workers, particularly commuters, deposit funds in institutions outside the community. Most lending is asset-based.

**Manchester lacks venture funding.** There is a great deal of money and wealth in Manchester and throughout New Hampshire and New England, but this wealth has not been leveraged to create opportunities for business growth or provide start-up funding for local firms.

**Revolving loan fund.** This fund is a good start for Manchester in its effort for supporting businesses through their growth and development. Given the growth of small businesses in the region, the fund should be expanded.

### 1.6 Manchester is not fully leveraging state funds.

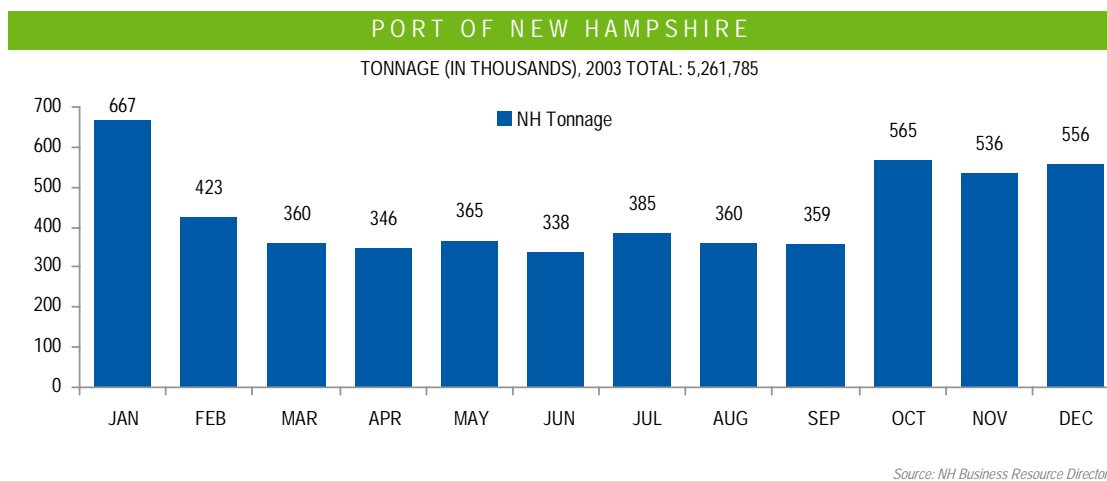


While there are not many incentives available from the state, it does offer several finance programs that could be utilized and promoted on a larger scale by the City and financial institutions within Manchester. These programs include Industrial Development Revenue Bonds, Working Capital Line of Credit, Capital Access Program, Guarantee Asset Program, SBA Assistance, Tax Increment Financing (TIF) Districts, and Jobs Grant Fund Program. Each of these can be leveraged locally (potentially) with private donors, foundations, and corporate funds.

## Issue 5: Manchester is in a hotbed for global growth, but could do more to leverage this advantage.

**New Hampshire is establishing a global presence.** The state is home to the 12<sup>th</sup> most active port in the northeast; Manchester is home to one of five foreign trade zone sites (FTZ 81), and the state boasts two international airports, and has a tremendous asset in the Portsmouth-based International Trade Resource Center. These assets have contributed to the **state's strong export numbers**. Over the past four years, ***New Hampshire exports have climbed 38.95%***, surpassing the Northeast as a whole, at 12.19%, and the US with a growth factor of 7.43% during that same period.

NH exported goods to 160 foreign destinations in 2001, up from 136 markets in 1997, which is a result of increased business development as well as recently opened international markets. **Canada is traditionally NH's most important market and accounted for 32% of exports in 2000.** The European market is also strong for the state, providing almost \$400 million in sales to the UK in 2001. Other European growth markets include Belgium, Italy, Spain, and Denmark, with Germany, The Netherlands, Ireland, and France leading sales of exports.



**Manchester is home to seven of the 50 largest foreign companies in New Hampshire.** This includes the largest foreign firm operating in the state, **The Delhaize Group**, whose parent company is headquartered in Brussels, Belgium. Osram GmbH and Freudenberg-NOK are also located in Manchester and represent the 3<sup>rd</sup> and 4<sup>th</sup> largest foreign firms in the state. The country represented most heavily in the state is Germany, with England a close second. There is also a large representation from France, Switzerland, and Canada.



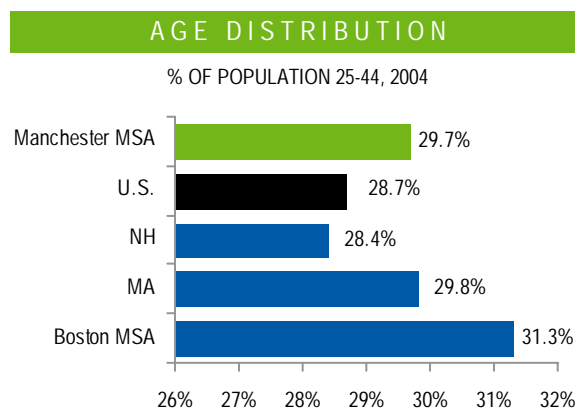
**Global financial resources are growing.** The International Trade Resource Center has a number of programs and resources for companies interested in initiating or expanding their exports. The ITRC works closely with the Office of International Commerce, the U.S. Department of Commerce, and the New Hampshire International Trade Association. Through these alliances and other partners, the ITRC offers market research, trade missions, international partner search, foreign buyer credit, and export working capital loans.

## Issue 6: Manchester is in an entrepreneurial region and can create processes & programs to further capitalize on this phenomenon.

### 1.7 The entrepreneurial spirit is alive and well.

New Hampshire attracts many companies employing between 10 and 50 people. Many of these firms are family run or start-up operations relocating from other states. New Hampshire ranks 6<sup>th</sup> out of the 50 states in the number of new companies started each year on a per capita basis.

**New Hampshire does attract educated and creative talent.** The number of young professionals in Manchester is growing, and while the demographic percentage is not quite as high as desired, it is relatively strong (ideally it is at 32%+). There has been drop in the “young” demographic over the last ten years, but this is true nationally due to the aging population; that Manchester has made the gains it has in the last year, is a great sign for future development.



Source: Census Bureau

Our analysis of employment trends indicates growth in segments *other than manufacturing* is directly attributable to this shift, and the fact that Manchester has institutes of higher learning will continue to help this growth.

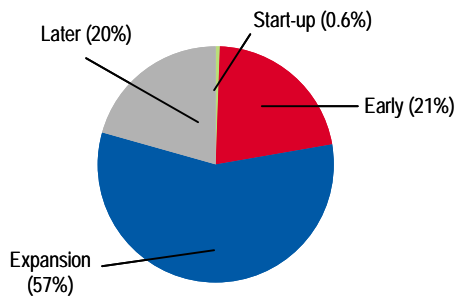
**Manchester is behind the state in technology initiatives, and the state is behind the region.** As an example, according to the State and Moneytree 2005, New Hampshire adopted its Biotechnology Strategic Plan in 2004, three years behind Massachusetts, and four years behind Rhode Island. **New Hampshire lists no Biotech Research Parks** and only one technology incubator, while Massachusetts lists four Biotech Parks and five incubators. Indiana and Maryland actually lead the U.S. in each of these categories. Manchester has none of these assets nor does it have a biotech plan of any magnitude.

**Venture capital funding in the region is second only to Silicon Valley.** If venture capital raised in the region were combined (New Hampshire & Massachusetts), the area would rank second to the level of investment in the Northern California region. Spending remains far below the 2000 peak but is growing again. The bulk of venture capital funding is still being placed in software, with biotech and lifesciences growing rapidly.

Southern New Hampshire University in Manchester has the Amoskeag Business Incubator, which is designed to assist start-up and growing businesses by providing low cost office space and technical assistance. The incubator does not have a technology focus but is a great start in that direction.

#### VENTURE CAPITAL

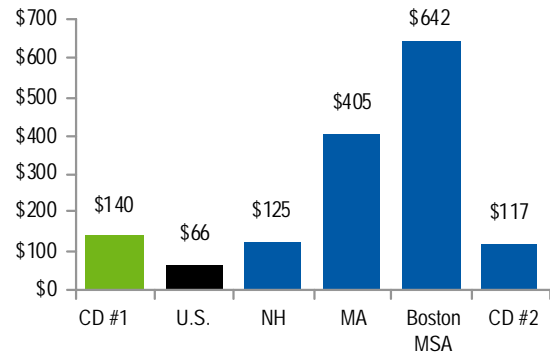
SHARE OF NH VC DOLLARS BY STATE OF FINANCING, 2002-2003



Source: Price WaterhouseCoopers; NH Employment Security

#### VENTURE CAPITAL

VENTURE CAPITAL SPENDING PER CAPITA, 2003



Source: Venture Economics

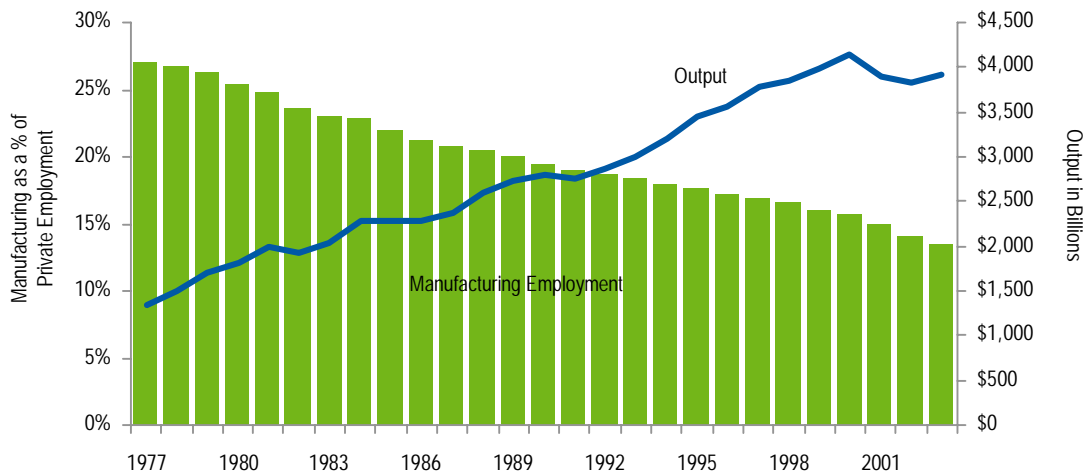
NOTE: "CD" is an abbreviation of Congressional District

## 1.8 Many residents still believe manufacturing will come back on a large scale.

This is just not a reality anymore. The globalization of markets and the economy has driven the bulk of manufacturing to low cost locations outside the U.S, and this trend will not change. New Hampshire has certainly suffered in this regard. Even Massachusetts' manufacturing sector has dwindled. The Massachusetts manufacturing segment has plunged from nearly 408,000 workers in 2000 to about 323,000 in 2004. While U.S. manufacturing output (dollar value) has consistently grown over the last half-century, manufacturing jobs have been in steady decline due to improvements in manufacturing technologies and processes.

#### U.S. MANUFACTURING

OUTPUT VS. EMPLOYMENT 1977-2003



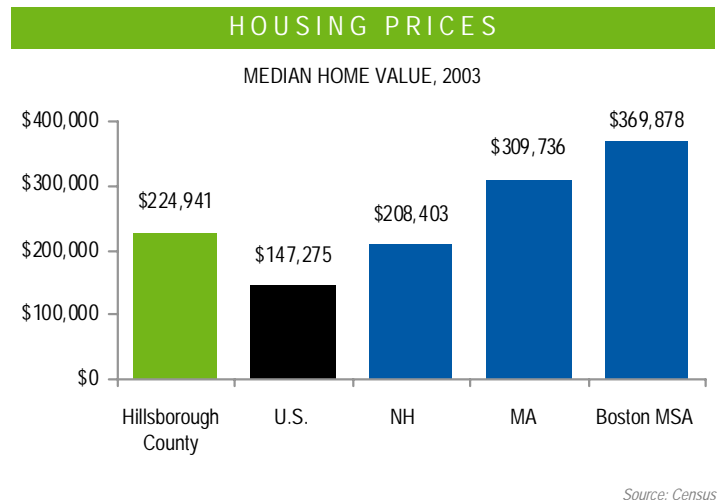
Source: BLS

## Issue 7: Manchester is competitive.

**Good cost of living & doing business.** Manchester can boast about its housing costs relative to the area, particularly given it is the retail, transportation, and education hub for the state. Because the state offers low taxes, Manchester will be able to compete with most of the other New England states and communities. (Cost of living is above U.S. in housing, electricity costs)

**Educational resources.** The number of colleges and universities as well as the technical training schools is a great tool for assisting, recruiting, and growing businesses. These schools, however, will need to expand their degree offerings in order to be more competitive.

**Geographic Location.** In looking forward to business growth opportunities, Manchester will be able to leverage its location and the related assets.



BUSINESS CLIMATE	
STRENGTHS	WEAKNESSES
Accessible	Communication
Geographic Location	Decentralized Banking (Deals)
Higher Educational Facilities / Programs	Code Development / Enforcement
Environmental Regulatory Climate	In Town Transportation
Affordability / Cost of Doing Business	Permitting Process
Solid Economy	Entrepreneurialism
Diversity	Lack of Convention / Meeting Space
Positive Attitude	
Airport	
Support Business Service	
OPPORTUNITIES	THREATS
Develop an Entrepreneurial Environment	Loss of Economic Development Leadership
Create Incubator / Accelerator	Lack of Housing Options
More Business / Technology Programs in Higher Ed	Aging Population
Increase / Broaden Efforts in Economic Development	Bank Consolidation
Global / International Business Partners	Lack of Private Monetary Resources
Improve Permitting / Zoning Functions	
Political Notoriety (PR - 4Yr)	
Grow Technology Image	

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

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## WORKFORCE AND EDUCATION

## 2.0 WORKFORCE AND EDUCATION

Aside from the availability and location of actual sites, workforce and education are the two **most-often cited** reasons for a business locating to or expanding in a region. ***Workforce and education are critical elements to a community's on-going, long-term prosperity.*** These components of economic development are also tremendous areas of opportunity for any community. With identification of assets and strengths, programs can be developed and promoted which match a community's strengths with the type of business growth it desires and the community realizes additional net gains in educating its youth.

### Issue 1: Unemployment is well below national, state, and regional averages.

This is a very positive sign for current residents, but it is not necessarily a positive indicator for future growth and workforce creation.

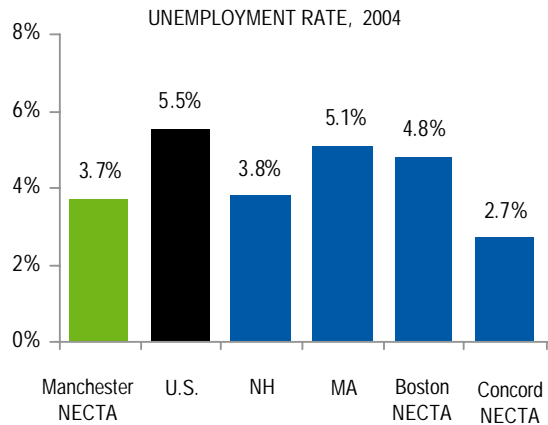
#### 2.1 The overall climate is strong; unemployment is up primarily in those sectors, which are declining nationally.

Unemployment is at 3.7% in Manchester, 3.8% in the State, 4.8% in Boston, and 2.7% in Concord.

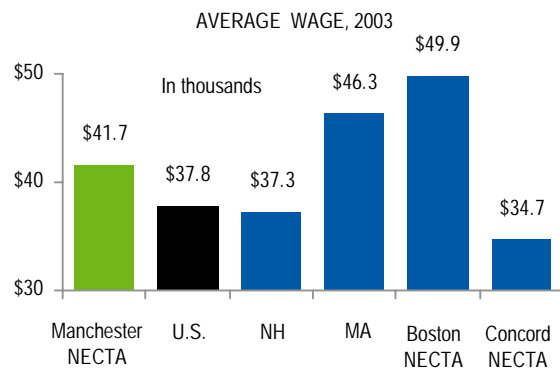
While there is an educated adult population, and the community's educational attainment level seems to be improving, manufacturing jobs continue to leave the area. The state's positive situation can be attributed to the influx of people looking for jobs in what is considered an expanding market. Further job openings created through business development will be necessary to keep unemployment low.

**Wage Levels are adequate and improving.** The average wage of \$41,700 in Manchester is \$4,000 above the US average, but it is still under that of Boston and Massachusetts. However, the cost of living is also lower in Manchester and New Hampshire, which provides a good workforce recruitment tool.

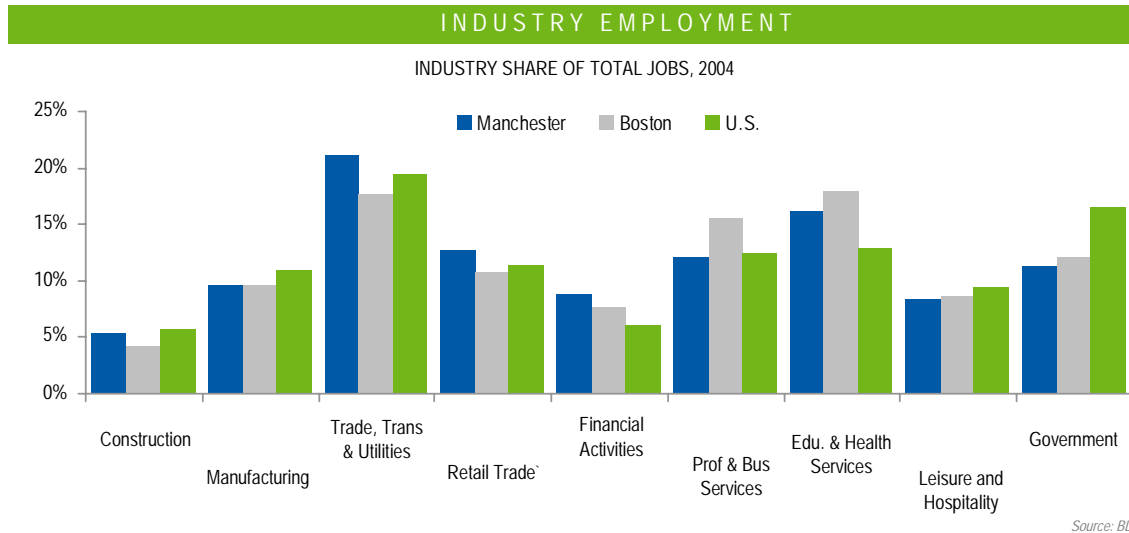
#### UNEMPLOYMENT RATE



#### WAGE COMPENSATION



## Industry Employment is beginning to shift into High-Wage Sectors.

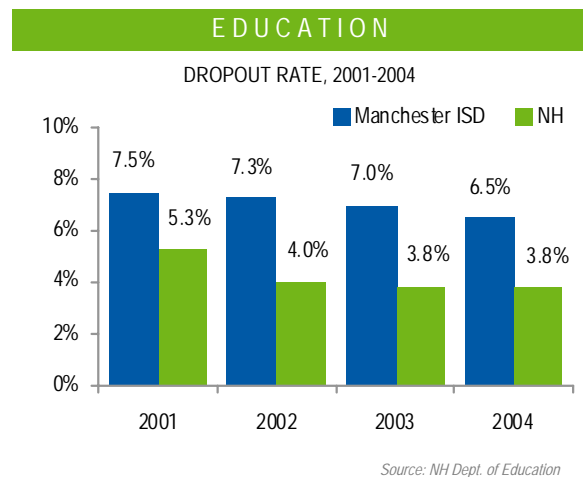
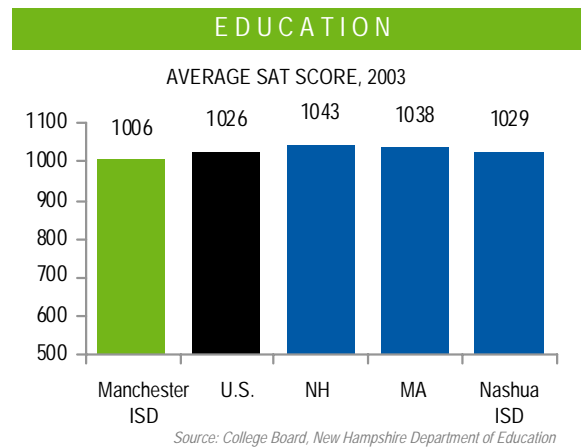


## Issue 2: Manchester's K-12 education system needs further improvement to be competitive.

The Manchester Independent School District (ISD) should continue to improve its drop out rates, SAT scores and performance on the NH Educational Improvement and Assessment Program. SAT scores lag the state and national averages. Scores decreased from an average of 1013 in 2001 to 1006 in 2003. Average SAT scores are indication of how well the public school system prepares its students for college, making this an important issue during the site selection process.

Although drop out rates are improving, they are still significantly above the state average. Drop out rates decreased from 7.5% in 2001 to 6.5% in 2004, which is still above the state average of 3.8%.

Performance among Manchester ISD students on the NH Educational Improvement and Assessment Program has shown incremental improvements since 2000. In 2004 the percentage of 10<sup>th</sup> grade students scoring above *Basic* was 70% on the reading section and 58% on the math section. This



trails the state averages of 78% and 65% respectively.

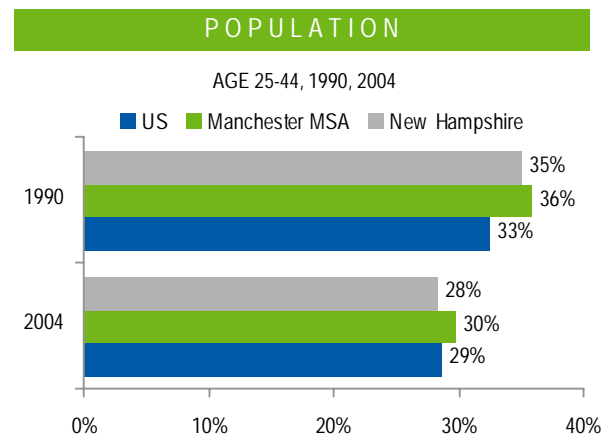
**Several programs have been developed to help improve the situation.** Manchester is the headquarters of **FIRST** – an innovative series of national programs designed to show America's young people that the worlds of science and technology are rewarding. There has also been a recent push for the **development of more Charter Schools**, according to the State's website.

Another improvement strategy developed by the State is **Just for the Kids**, an awareness program with information dissemination as its goal, which is designed to motivate educators and the public to take action in school improvement.

**A great program begun by the State is the Career Pathways program.** Two of the high school pathway programs underway are: The Biotechnology Career Pathway and The Health Science Career Pathway.

### Issue 3: Manchester's share of young professionals is declining.

Despite having a slightly higher share of working age residents, Manchester is losing its share at a faster rate than the nation. The region is losing its percentage of residents in the lower end of that working age segment that is critical to most employers. Manchester's share of residents between 25 to 45 years of age has declined by 6% since 1990, compared to just 4% for the nation. More alarming is that this age group is rapidly declining, while the 0-24 age group has declined by less than 2%. This indicates that the region is having a hard time retaining its early stage professionals. These individuals are leaving the region at a higher than average rate. This age group provides the supply of innovative and creative workers for tomorrow's growing businesses. It is a segment of the population that is especially important to employers seeking highly skilled positions in technology and professional services. Further declines in this vital age group could have a negative impact on Manchester's ability to recruit high knowledge, high wage firms.



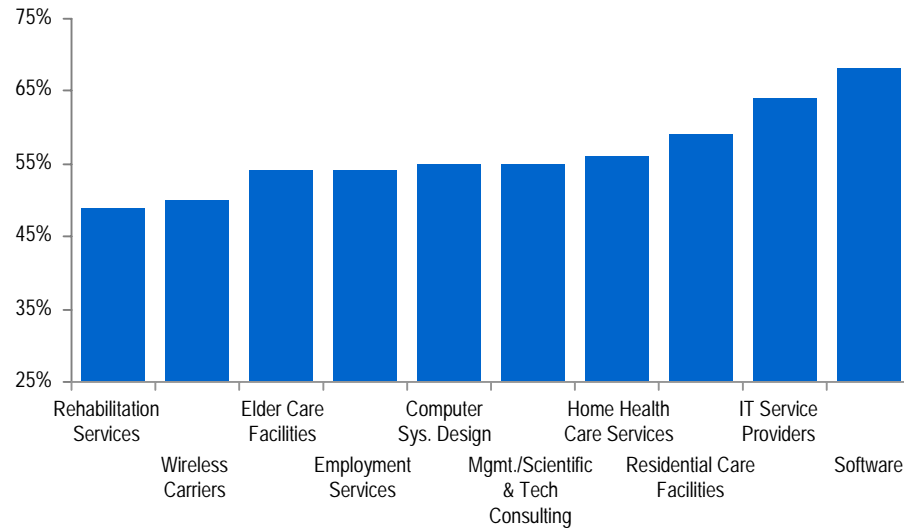
Source: Census Bureau

### Issue 4: There is a lack of workers trained in skills for some existing and most growing industries.

**Industry Growth Trends point away from some of Manchester's existing businesses.** A review of the Bureau of Statistics "Industry Projections" (i.e. growth industries v. declining industries - chart below) highlights the need for incorporating this information into a Target Industry strategy. In addition to the charts, and of note to Manchester, medical related industries represent 40% of growth industries in the top 25-sited categories, while the declining industry group shows semiconductor and electronics manufacturing each losing 18% by 2012.

## U.S. INDUSTRY GROWTH

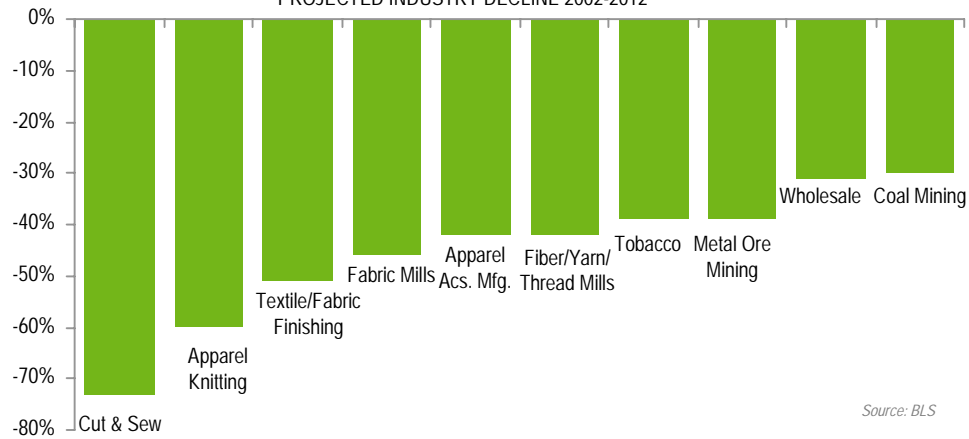
PROJECTED INDUSTRY GROWTH 2002-2012



Source: BLS

## U.S. INDUSTRY DECLINE

PROJECTED INDUSTRY DECLINE 2002-2012



Source: BLS

## Issue 5: There are few workforce training and re-training programs in Manchester.

**Manchester residents have a strong work ethic.** Employers in interviews and focus groups reported few problems with finding and keeping workers in lower and entry-level positions. However, they did report that these workers often lacked technical and life skills for advancement on the job.

**Workforce development and training programs are under-utilized.** Workforce development and training data indicates that less than one-quarter of local employers utilized workforce-type services. While they cited that these services were important, they were either unfamiliar with what was available or just hadn't made time to explore their potential. Programs for basic job and life skills go a long way for companies experiencing high rates of turnover or performance issues.

Moving forward, specialized training programs centered in Target Industries will better support economic development activity.

**There are a limited number of training programs.** NHworks is a good program available through the State. However, their offerings are more of a resource center, working with employers for the creation of training programs as needed, without on-going training.



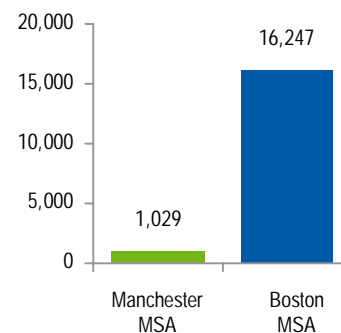
**New Hampshire Community Technical College is a great asset for the region.** The Manchester, Stratham, Pease International Tradeport, and Derry campuses comprise one of four regional colleges in the NHCTC. **This school offers over 40 certificate or degree programs** with flexible schedules, including evening and weekend classes. The Manchester campus offers 20 Associate Degrees, including Accounting, Commercial Design Illustration, Computer Technology, Medical Assistant, and Nursing.

**The degrees offered by Manchester-area Colleges/Universities are well-respected; certifications and degrees in the medical field will continue to be in high-demand.** While there are no engineering degrees offered at the area institutions, there are a number of technical certificates and degrees awarded. The types of skills that are required today, and will continue to be in high demand, are centered in math and science, with an emphasis in technologies, particularly the bioscience, energy, and medical fields.

With Manchester's proximity to Boston and all of that city's offerings in engineering, sciences and medicine, Manchester has a tremendous opportunity for recruitment and leveraging of those assets.

### TECHNICAL EDUCATION

SCIENCE & ENGINEERING DEGREES  
AWARDED, 2001



Source: NSF

WORKFORCE & EDUCATION	
STRENGTHS	WEAKNESSES
Number of Institutions	Non-Tech Workforce
Criminal Justice Program (Hesser)	Under Performing K-12
Teen Prep Workforce Program	Student-to-teacher Ratio
NH Community Tech Colleges	No Entrepreneurial Environment
Strong Work Ethic	Lack of Young Professionals
OPPORTUNITIES	THREATS
Create Co-Op Programs with Business	Continued Manufacturing-Need Perception
Expanding Adopt-a-School Program	Growing Senior Population / Retirees
Aging Population and Medical Needs	Lack of Child Care
Develop Learning Centers	Neighboring School Districts
Increase Vocational Technology Programs	Lack of Workforce Training Programs
	Lack of Communication: Business, Workforce, Schools
	No Effort to Train Workforce for Future Needs

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

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## SITES AND INFRASTRUCTURE

## 3.0 SITES AND INFRASTRUCTURE

Sites and infrastructure are typically cited as the first or second areas of concern when a business is looking to expand or relocate. Although somewhat obvious, this cannot be over-emphasized; a business must function as efficiently and effectively as possible. When competitive communities and markets are creating incentive packages based on sites and infrastructure, it is critical that an honest assessment be given to strengths and weaknesses in this regard.

### Issue 1: Land and sites availability is limited.

#### 3.1 Land is limited for business expansion or development.

Evaluation and study indicates that land availability is increasingly limited in Manchester when compared to similar communities.

**Sites, land, and infrastructure are critical for business growth.** There seems to be a certain level of denial in this regard. As is, Manchester has very little to offer an incoming business in the way of land, sites, or infrastructure. This has been an impeding factor and has contributed to the loss of prospects from both a local and state-led effort at least twice according to State economic development representatives. It is important that public and private activity ensue for the shoring up of assets in this way.

**The airport is fully utilized.** The Manchester Airport has successfully filled-out its facilities on-site. Though there is some room for growth and added services, most of that will need to be dedicated to airport-related activity. This is great news for the airport, the City, and the associated tax revenue, but limits opportunities for new and growing companies.

**The existing industrial parks are full and the available sites & buildings are not ready.** Manchester is low on building and land availability. The land and sites that are available are filled with buildings that are virtually unusable without updating. This is a competitive issue, because the surrounding communities still have land and are building spec buildings and up-to-date industrial parks.

#### 3.2 Only basic infrastructure is in place.

The public perceives that infrastructure costs in Manchester are high, but relatively speaking, they are not. More importantly, the current infrastructure is basic in nature. There is certainly a need to re-assess the telecommunications network as well as other communications infrastructures.

**Manchester lacks a Master Plan.** Manchester needs an updated Master Plan, which addresses traffic and commuter patterns, infrastructure needs, town development, technology requirements, and educational growth and support. With the development of this AE-directed economic strategic plan, as well as the downtown and parking plans, a Master Plan will follow.

**There is insufficient availability of high speed, broadband, and fiber optic lines.** Manchester is pretty well wired, but there are areas of the City, including some business districts, that do not have access to high-speed communication. There are extensive needs in the medical facilities, and the City should be looking at how “un-wired” it may want to become (i.e. Wi-Fi).

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### 3.3 There is no current activity underway for Hackett Hill.

Hackett Hill is 833 acres in the northwest area of Manchester. The Nature Conservancy will be receiving a portion of this property for preservation (approximately 600 acres), leaving 233 acres for the ideal use as a Corporate Park by the City of Manchester.

**This is one of the last opportunities for the City in the way of developable land.** With the area of development located primarily on the Southeast side of the property, there are tremendous opportunities considering the proximity to the FE Everett Turnpike/I-293/93.

Currently the Master Plan for the Park includes use of some land for retail and commercial use. This use, or other **non-corporate park uses, does not meet well with the overall needs of the community in terms of future business growth.** The Plan calls for “support” retail for the Park – that should be followed, and not expanded to other or additional commercial uses.

The Conservancy portion of the property is ideal for the overall development of this area into a primary corporate campus and will be a great tool for the right development in terms of future business growth and development.

**Hackett Hill is a very strong competitive advantage for Manchester.** At present, the Master Plan calls for development to occur in stages, over time. This is not necessarily the correct approach for maximization on this project and in working to remain competitive in the region.

## Issue 2: Sites and infrastructure in the region surrounding Manchester are strong, thus competitive.

### 3.4 Transportation access for the region is good.

The region and the state of New Hampshire have great air service and access to major highways and, thus, the country. Close proximity to major consumer markets and population centers is highly valuable to potential employers. Manchester is just one of the cities, however, with this asset; its many neighbors also benefit from the location and access to major markets.

### 3.5 Manchester’s Airport is a great asset and is key to future opportunities.

Airports always offer growth opportunities to a community. It’s just a matter of what a community does with that opportunity in leveraging such an asset. It is important for a community to recognize the potential of an asset, such as the airport, to support the growth of targeted industries through proper planning and execution of development and services.



There is no denying that the Manchester Airport is one of the region's greatest assets. This asset will work to Manchester's advantage for many years to come and should be supported, maintained, and promoted at every opportunity.

**Transportation is critical to growing businesses.** Access is critical to a business's life but so are shipping and distribution, especially those in current growth industries. An airport can be a catalyst not only for a business's growth, but also a beneficial business retention and recruiting tool and can set the tone for a community by representing a more intangible overall direction.

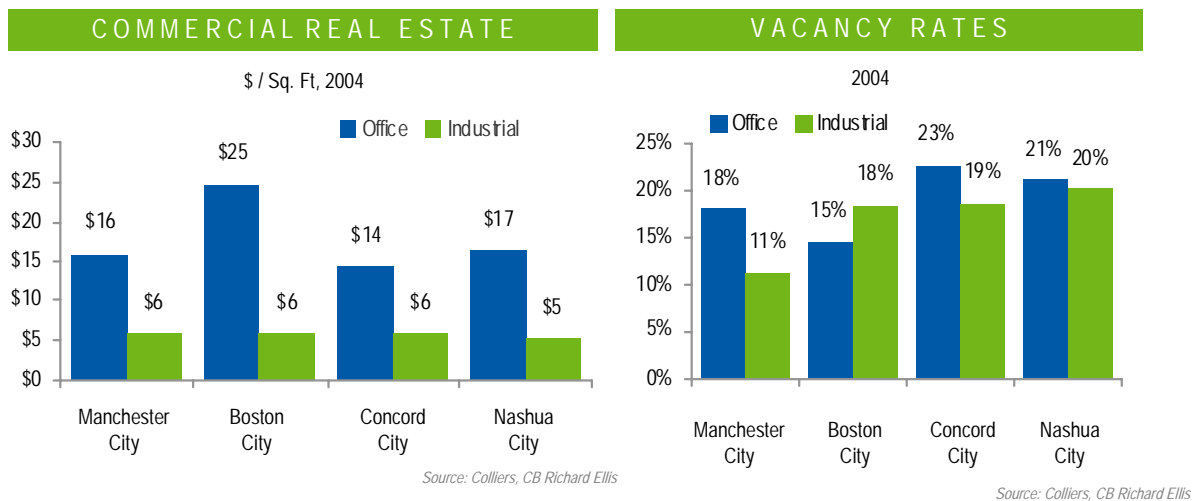
Manchester Airport is gaining in its use for cargo and business purposes.

### 3.6 Neighboring communities are developing office and commercial space.

Manchester has relatively low vacancy rates in both office and industrial properties. On the surface this seems like a good thing, but pure numbers misrepresent the true picture.

There is a great deal of space available in the downtown corridor which can be utilized for office space, though it does need redevelopment and updating. Utilization of this downtown space is a unique offering for Manchester, and should be leveraged. On the industrial front, ***Manchester simply does not have any space*** and further, no land, presenting an immediate problem and a long-term planning need.

Neighboring communities have a higher vacancy rate as well as land and space to grow, which presents a highly competitive situation.



## Issue 3: New downtown developments will greatly enhance Manchester's ability to recruit and retain companies.

### 3.7 Downtown Manchester is making progress.

**The key to a thriving downtown is a mixed use of arts, retail, housing, sports, entertainment, dining, and commerce.** The City and various business and arts & cultural groups have made a commitment to downtown and it's working. The development and redevelopment in the area is beginning to pay-off, both in actual revenue generation as well as improvement in overall quality of life, and there are additional retail and residential projects underway that will further stimulate activity and growth.

**There must be vision to create commerce.** Most strong-commerce downtowns have one thing in common: a square. In Manchester's case, a square does not exist but work is underway to create a

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Master Plan, which will include a plan for downtown. The one critical component from a business perspective is keeping commerce in mind and not just retail. Without offices that employ service businesses and others, Manchester's downtown will not develop or thrive.

**There is not an effort to make redevelopment and in-fill projects a priority.** With the space and land limitations in Manchester, redevelopment and in-fill are necessary. This is true for the downtown corridor and associated areas, but is also true for other parts of the community, including neighborhood revitalization efforts.

### 3.8 Manchester's waterfront is under-developed.

Waterways and waterfronts can be a city's biggest asset and draw for residents, visitors and businesses. It gives an area a unique point of difference and can redefine geographical areas. As Manchester's history revolves around the waterway, the fact that the area is under-developed and has not realized its highest potential leaves the city without proper homage to its heritage and denies a large opportunity for its future.

## Issue 4: There is no technology strategy.

This issue will be discussed in greater detail in the Recommendations Report and will be focused relative to the Target Industry portion of the discussion.

Manchester will want to allocate time and resources on a technology strategy that works well with each of its Target Industries, including existing businesses. Technology work and jobs and the industry's future are based on application.

Applications in technology that cross all industries need to be fully realized by the City, applied accordingly throughout planning and development, and enacted as a key component of marketing the city.

## Issue 5: Manchester lacks adequate meeting and convention space.

For the purposes of drawing attention to Manchester from the external business community and in working to satisfy the existing business community, the lack of space for business uses must be addressed.



The largest conference facility listed by the State is the **Verizon Wireless Arena**, having 15,000 sq ft of exhibit space, but only two meeting rooms. The next largest facility listed by the State is at **UNH**, with the third largest listed as the **Radisson Hotel, in Manchester**. The Radisson has 65,000 sq ft for exhibit space (and other use), and 22 listed meeting rooms, but all are relatively small and somewhat inflexible. The biggest issue is that the Radisson Hotel is the only option for businesses in the area. This kept the Airport from hosting a national meeting just last year.

SITES & INFRASTRUCTURE	
STRENGTHS	WEAKNESSES
Airport	Land Poor
Good Geographic Location	No Areas for Major New Development
Good Highways	In-Town Transportation
Proximity to Port	No "Synergy" Between Business / Industrial Areas
Good Utilities (Capacity and Service)	"Curb Appeal" (Outside Downtown)
	Gateways
OPPORTUNITIES	THREATS
Hackett Hill	No Development of Hackett Hill
Re-Develop Industrial Areas	No Communication / Technology Upgrades
Downtown Redevelopment & Infill	Wrong Mix / Use of Downtown Property
Create "Opportunity Zones"	No In-Town Connectors (Transportation)
Strategic Alliances with Neighboring Communities	Ignoring Areas Other Than Downtown
Commuter Rail	No Thinking Regionally in Master Plans

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

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# QUALITY OF LIFE

## 4.0 QUALITY OF LIFE

Quality of life is very important to residents and relocating individuals, however, the community must recognize it can be the lowest on the list of concerns by a business in its review of potential expansion and relocation sites. There are of course exceptions to this statistic. Given this fact, it is still crucial for Manchester to give this area of concern top priority, because all Economic Development efforts require that Quality of Life remain high. Additionally, it is important that Manchester creates and captures a Quality of Life that properly reflects the type of community it is or wants to become. When compared with the competition throughout your Economic Region, Quality of Life, which embraces many elements, can be a tremendous point-of-difference for Manchester.

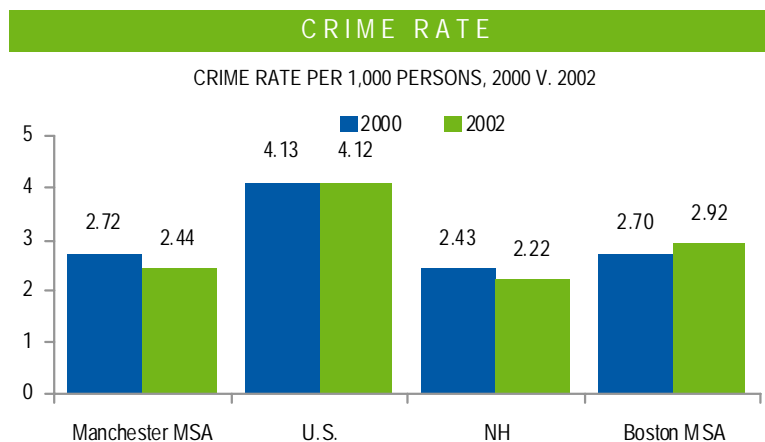
### Issue 1: Manchester has a good quality of life that family-oriented residents are proud of and want to preserve.

#### 4.1 Manchester is an excellent place to live and raise a family as a result of its nice neighborhoods, low crime, and an emphasis on higher education.

**Manchester is one of the most financially sound cities in New Hampshire and the region.** In 2004, its median household income was \$54,000. Though not as high as Nashua, it remains competitive in the region and reflects well on the community. If maintained, one of the benefits of a high quality of life standard is that it will dictate and support a higher expectation of the schools and education.

**Manchester's history and character are under-utilized in promoting the community.** Manchester offers some unique attributes in the way of history and character. Its roots along the waterway and its prominence in the political culture of America are interesting facets of its history and the history of the state and country.

**Manchester's crime rate is far below the national average, and declining further.** In review of the crime statistics from the FBI, which aggregates crime statistics nationally, Manchester rates well below the national average on crimes committed per 1,000 people, as does the state. The majority of residents rated their satisfaction with the crime rate as high or very high.



Source: FBI

#### 4.2 Residents and city leaders seek to preserve Manchester's friendliness and history.

Manchester's history, character, and emphasis on family make it an exceptional place to live. These rare qualities are increasingly vanishing across the U.S., and Manchester's leaders, like their citizens, want to ensure that these valuable qualities are protected. This was heard numerous times during interviews and focus group meetings.

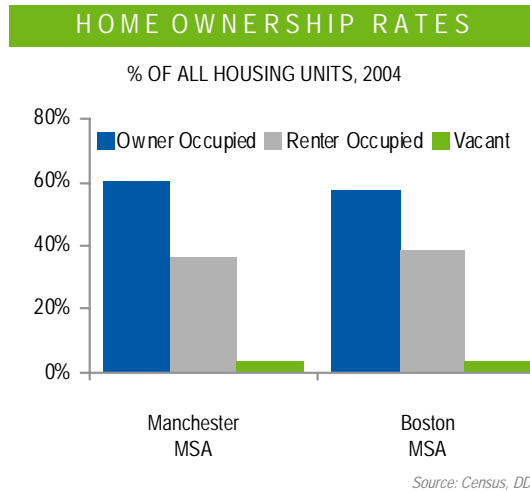
To do so, a harmony must exist between preservation of character and on-going development. Redevelopment and revitalization must be at the heart of Manchester's future for business, whether in retention or recruitment efforts. It is about capturing and executing a vision that matches the desired future growth for the community.

#### 4.3 There is a satisfactory level of diversity in housing, but affordability is still a critical issue.

There is a good amount of housing available in the middle- to high-end market, but Manchester lacks in the areas of multi-family, single family attached, and low-middle offerings, which points to the necessity for the diversification of housing.

This is not just about creating affordable housing. Rather, it reflects a desire to support a diverse population of singles, newly single, aging population, and empty-nesters. There are a variety of uses for this type of housing, and this needs to be addressed for the betterment of Quality of Life, which will lead to retention of population.

Diversification of housing must be reviewed for downtown development, where young adults and professionals will tend to work, gather, and want to live in what is becoming a vibrant and energetic portion of the city. Housing must be made available for them in creating that dynamic, and in creating the atmosphere desired by city leaders.



## Issue 2: Quality of life is linked to economic development.

#### 4.4 Overall, residents recognize the need for economic development.

##### Increased property tax rates will raise the cost of living.

Residents are concerned about increases in their cost of living related to any increase in tax burden associated with development. This is an important issue and will need to be watched and monitored.

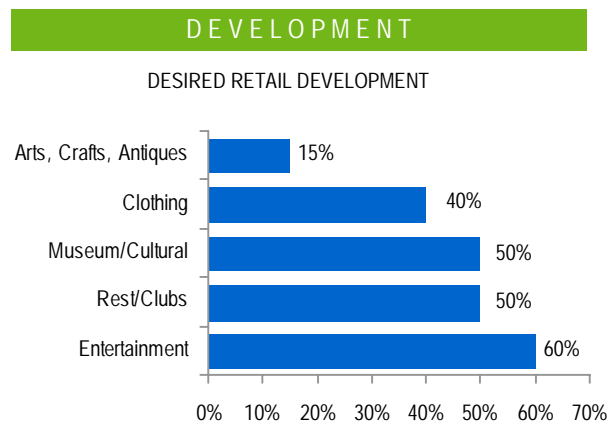
An expanded tax base would benefit schools and City services. New businesses and expansion of existing ones would translate into more revenue for schools and increased services to residents without increased taxes. This is a banner to wave in working through community-based issues related to development.

## Issue 3: Manchester still needs to grow its entertainment and amenities options.

### 4.5 Residents would like to see more Retail and Entertainment Options.

In meetings and interviews, residents expressed a need for more restaurants with a wider diversity of cuisines, though they recognize that the options have grown in the last few years. Other frequently mentioned retail that residents would like included gift stores, hardware, brew pubs, sports bars, and clothing and department stores. Museums, cultural attractions, arts, crafts, and antiques were less frequently (see chart).

Amenities such as retail and restaurants benefit a community by providing residents with better service, shopping, and dining options. Commercial developers benefit from the increased value and marketability of office space. Finally, the City receives increased revenue from property taxes which can be used to provide better services.



*Source: Based on a small sampling of 80 people during Trip 1 and subsequent phone interviews*

#### The sports venues are necessary for business development and recruitment.



Manchester has already begun to experience the positive impact that venues as the new ballpark (home of the Fisher Cats) can have on a community. Although almost always true, it cannot be taken for granted, because it is typical for interest to fade after the inaugural year or two. The City and business leaders will need to work on additional uses and fan development to keep the momentum for a facility that has brought a large financial commitment from the City.

The NASCAR track in nearby Loudon is also a great vehicle for Manchester. The two Nextel Series Cup races draw over 101,000 people each race and are the largest spectator sports events in all of New



England. Manchester's Monarchs and Wolves, who bring hockey and arena football to the area in their home at Verizon Wireless Arena, are each contributors to the economic growth of the City and region as well.

#### Arts and culture must play a strong, growing role and be given attention.

Manchester is a wonderful market for arts and culture, and the growth of these offerings should continue. From the Downtown Farmer's Market to the Millyard Museum, from the Franco-American Centre to the internationally renowned Currier Museum of Art, Manchester has come a long way in the last few years in developing arts and culture as assets.

Reaching all types of the population through continued efforts for the development of Arts & Culture will help the city grow and thrive as a great place to do business and to reside. **Culture development is integral to Manchester's Master Plan.**



## Issue 4: Don't forget parks and neighborhoods.

New Hampshire is well known for its scenic locations. From the seacoast to the White Mountain National Forest to the Lakes Region, some of the State's most charming and picturesque country is just up the road from Manchester.

Like most of New Hampshire and New England, Manchester has a four seasons climate, but unlike its neighboring communities, Manchester has its own in-town ski slope, **the McIntyre Ski Area**.

The Parks and Recreation office states that their mission is to "(meet) the recreational and leisure needs of residents, while complementing the city's economic and redevelopment goals." This is a great mission statement, and it is imperative that it be held true. **Deerfield Park** is a great example of this commitment. Again, do not overlook neighborhoods throughout the City. The City's current Parks Master Plan addresses the future needs well.



QUALITY OF LIFE	
STRENGTHS	WEAKNESSES
Healthcare	Under Performing School K-12
Outdoor Amenities / Recreation	New Building / Architecture
Well Educated Residents	Art Commission (Needs Leadership)
Historic Character	Overall Perception (Cow Hampshire)
Entertainment Facilities	Lack of PR: Arts & Cultural Activities
Low Crime Rates	Philanthropy
River / Open Spaces	In-Town Transportation
	Lack of Housing Options
OPPORTUNITIES	THREATS
River Development	Lack of Housing Options
Increase Housing Options	Loss of 'The Palace'
University Involvement	Surrounding Communities Moving Forward with Projects
More Meeting / Entertainment Facilities	Loss of Business to Surrounding Communities
Downtown Development	"Glossing Over" of Issues / Needs
Gas Light District	
Embrace / Engage University Students	
Arts Fund	

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

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## ECONOMIC DEVELOPMENT AND MARKETING

## 5.0 ECONOMIC DEVELOPMENT AND MARKETING

Economic Development is an open-ended system with multiple inputs and is an on-going function of a community for sustainability and prosperity. Emphasis must be given to the economics component of Economic Development, and development should follow strategic economic planning. Proper planning will result in development that supports the community's overall goals for the type of growth it desires and will produce more effective and sustainable streams of revenue to the community.

### Issue 1: Manchester's future economy will benefit by retaining existing companies and helping them grow.

#### 5.1 Residents would like to see more economic development and business growth.

Manchester residents understand that economic development is strongly connected to their tax burden. Most residents of Manchester (based on a narrow sampling) believed that economic development leads to a higher tax base.

**Manchester residents are ready for more economic development activity.**

When asked the question, "Do you want to see increased economic activity in Manchester," the majority of residents answered, "yes". To no surprise, virtually all business owners were ready for more economic development. However, the majority of residents also view economic development strictly as job creation; they are not aware of the many components of economic development, and the various positive impacts development can have on a community.

#### Top Ten Non-Manufacturing Employers

Elliot Hospital  
Verizon Communications  
Catholic Medical Center  
Banknorth  
Public Service of New Hampshire  
Citizens Bank  
Filene's  
Anthem Blue Cross & Blue Shield  
Southern NH University  
Associated Grocers of NE, Inc.

*Source: NH Business Review, 2004*

**Existing businesses may be facing expansion restraint and may affect tax revenue for the city.** It is more critical now than ever for Manchester to work for existing businesses' expansion and relocation. Recruitment and development of new business will take much more time than working with existing businesses to grow, without which, tax increases may become necessary for residents.

### Issue 2: Manchester will benefit from leveraging the region's global position.

#### 5.2 Economic development and growth can be managed to protect the community's character and history.

Residents and businesses both want economic growth. When encouraging growth, the City may want to create development standards that favor companies already in Manchester. Economic developers and city planners must carefully balance growth with protection of Manchester's unique character and history.

### 5.3 Manchester has a rich multi-national heritage in business and community.

The Franco-American Centre (ACA), which preserves and promotes the rich heritage of Manchester's French community, is but one example of the diversity that exists in Manchester. This diversity will work well to promote the opportunities for Manchester on a *global* scale.

Settlers to the area now known as Manchester, for its resemblance to Manchester, England, were **from Ireland and Scotland**, and their heritage and presence is still felt in Manchester as well. These settlers were the immigrants that put Manchester on the map through their development of and work in the famous **Amoskeag Mills**. Other countries represented by original settlers include: Greece, Canada and Poland.

Manchester also became an icon of The Industrial Revolution through the textile mill's demise, but in this global market and economy in which we now live, **the strong work ethic and innovativeness that founded this city carries on and can be furthered through reaching back to its international heritage.**

### 5.4 The global economy is in New Hampshire and Manchester.

When the Northeast and the US boomed in 2000 in exports, New Hampshire led the way. When the Northeast and the US export averages both plunged into negative numbers as a result of the high-tech bust and subsequent recession, **New Hampshire still had a net gain position.**

In 2001, NH's export sales reached nearly \$2.5 billion, maintaining a decade of export growth, while nationally there was a decline. In 2000, the value of exports for every state resident was \$2,003, nearly double the 1993 figure of \$1,011. These exports are of course broadly benefiting NH businesses. Nearly 82% of these companies exporting,

which account for 39% of the State's total exports, were small and medium-sized firms with fewer than 500 employees. In fact, nearly 70% of all NH exporters were small firms with fewer than 100 workers each.

Manchester is home to many foreign companies or foreign-backed companies, most of which are small businesses. Seven of the State's largest foreign companies operating are based in Manchester.

#### **Largest\* Foreign Companies Operating in Manchester**

	<u>Location</u>
Delhaize Group	Brussels, Belgium
Velcro Industries NV	Curacao Netherlands
Areva-FCI	Paris, France
Osram GmbH	Munich, Germany
Freudenberg-NOK	Weinheim, Germany
Hitachi Cable	Japan
Meggitt plc	Wimborne Dorset
Schleuniger Hodking AG	Phun, Switzerland
*ranked by net income	Source: NH Business Review

### Issue 3: Manchester does not have a focused effort in economic development.

It is incumbent on a city the size of Manchester to have a dedicated Economic Development effort led by professionals through an office that is focused on all aspects of development: retention, recruitment, workforce development, sites & infrastructure, and community relations relative to the overall goals of economic development. **Manchester must place community and political will behind Economic Development.**

**Additionally, there has been a reduced staff since 2002 (only one economic development staff professional). This is not effective for most communities, much less one the size of Manchester.**

**The Economic Development Office must give thought and direction to a *broader* economic development approach as its overriding mission.**

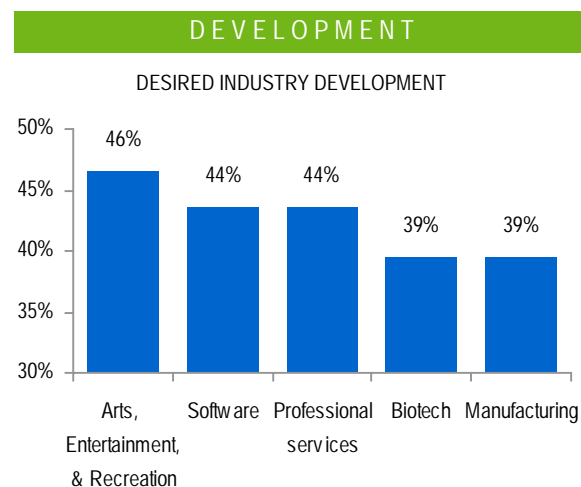
Much emphasis has been given to “industrial/manufacturing” development without much consideration for overall elements of economic development and the fact that all business development results in *economic development*. This narrow vision of how to approach economic development must be broadened, particularly given the indicated desired growth strategy for Manchester, which includes technology and professional services with an overriding Global Business Development strategy.

### Issue 4: The City/Economic Development Office has not placed focus on appropriate target industries.

#### 5.5 **Leadership must work to capture the desires of the community, but also create a climate for growth and market the city accordingly.**

**Targeted industries must be carefully selected to match the values of the community.**

In focus groups and interviews, people wanted to see more “high value-add” firms, such as technology firms, in the area. Targeted industries should have a low environmental impact, small space requirements, and pay high wages. Residents expressed a desire for companies in technology (general), software, light manufacturing, and professional services. A diverse mix of smaller companies is important to diversify the economy and stabilize tax revenues.



Source: Based on a small sampling of 80 people during Trip 1 and subsequent phone interviews

## 5.6 Current business and industry is not properly packaged or promoted.

In working toward Target Industry strategies and cluster development, current and existing businesses need to be analyzed for overall business and job creation. One example of a “packaging” opportunity is with the **Financial Services industry**. Manchester can package, promote and leverage community growth based on this industry. While this industry is not going to lead the way for future development, it can create an environment for prosperity and high-value job creation.

## 5.7 Target Industries must be developed, as well as an appropriate marketing plan for those industries.

It is important to any marketing effort that it be placed and promoted correctly. Once various determinations (as a part of the overall AE-driven recommendations report) are made as to which industries to pursue and at what level and improvements are underway or employed, proper branding and identification of the community must occur, and the marketing of the community and its assets must take place.

This element of economic development cannot be overlooked, nor can its impact on success be underestimated. Packaging and marketing are critical to success for Manchester and **must be based in strategy.**

## Issue 5: Manchester has local and regional competitors.

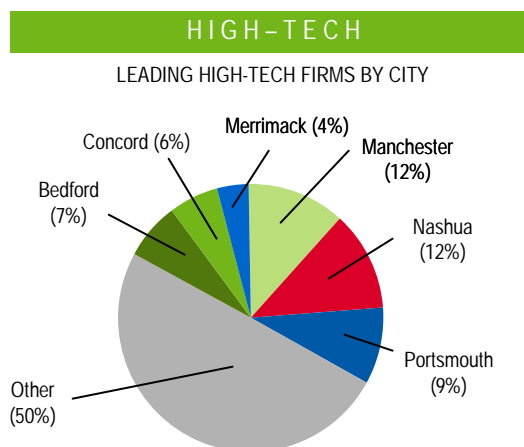
### 5.8 Economic development and marketing efforts will need to be strengthened in the face of growing competition.

There is a widely held perception that the City is the center of the New Hampshire universe. While Manchester is very strong in the State, it is not the only market that is performing well or even that has the greatest potential over the next few years for business development.

Concord, being the capitol, will continue to garner support and emphasis from a statewide level. A true competitor for Manchester is Nashua, this can be seen in the form of a population shift, as well as with housing developments and business relocations.

Of the “Top 100 Leading High-Tech Firms” listed in New Hampshire, the category “other” leads the way, indicating that high tech firms are selecting smaller markets with available space at reasonable rates. This is a tremendous opportunity for recruitment.

**Tax Revenue.** Revenue of any sort can and will be lost without efforts to shore up activities and facilities for Business Retention and Recruitment.



Source: NH Business Review / Book of Lists 2004, Business NH Magazine

**Manchester is in an economically competitive environment.** While its economy closely resembles those of its peer communities, Manchester is competitive on a regional and national scale, because it has more depth to its economy by way of number of companies and industries, as well as diversity of those industries. To keep this edge, Manchester must maintain those competitive advantages through targeted and active programs.

**The community lacks a vision and brand.**

One developer commented that the community does not know who it is or what it wants to become. A clear vision is important to develop before the city can move forward.

**Incentives are weak and largely ineffective.**

There are few incentives touted by the EDO, the City, and the state incentive programs that do not differentiate Manchester from other New Hampshire communities. Economic developers must get both aggressive and creative in this area.

**Recognized Competitors are Nashua, Concord, Merrimack, Portsmouth, Londonderry/Derry, Boston, and Hartford, CT.** Further discussion of these communities (as cited and determined by AE) and their related efforts will be presented in the Economic Development Strategy and Recommendations document to come, but it is important to note that these are the cities of competition.

Each of these communities has its own strengths and unique selling points and none can be overlooked, or denied. Strategically, Manchester must work to be itself, which will help differentiate and better its ability to create prosperity. The City must then become very aggressive in developing businesses that will help the community grow and prosper in the years to come, given the global nature of both the marketplace and economy.

## 5.9 Manchester does not have depth of private and public resources.

The private and public sectors must come together to redefine the overall mission for creating a growing and sustainable economy with a focus on projects that will not only work to create *economy* for the area, but will also work to create an *identity* for the area, a point-of-difference.

While state-led incentives are few and far between, there are a number of programs from the State, as well as the Colleges and Universities, available to Manchester in its work for Business Retention and Recruitment. It will simply take creative thinking and innovativeness directed by multiple entities.

### Top 10 SBA Lenders in NH, 2003

	# of Loans
Citizens Bank	967
BankNorth	119
Fleet Bank	54
Granite Bank	33
Berlin City Bank	23
Connecticut River Bank	22
Ocean National Bank	21
Centrix Bank	20
Community Bank & Trust	14
Monadnock Community Bank	13

*Source: U.S. Small Business Administrations*

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In addition to these public resources, Manchester has a strong base of private citizens who, through both their generosity and desire for community sustainability and growth, are ready to assist with various types of resources, including financial, in working to bolster economic development activity.

Economic Developers must work to create and coordinate efforts that tap these resources and once identified and secured, properly market them to its business community.

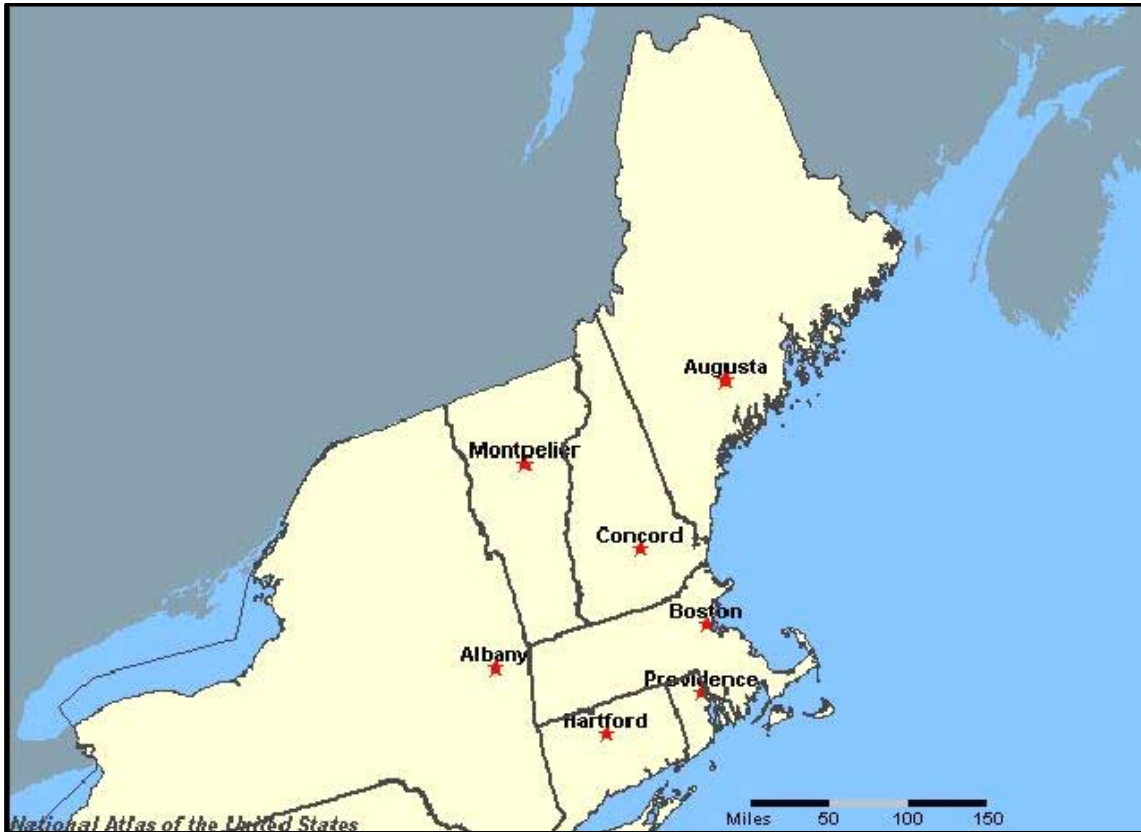
**A fast-track process for development projects in targeted industries would be beneficial.** Industries that have been approved and fit the goals of the community could be expedited to increase competitiveness for projects. These can be discussed further once identified – efforts may, and probably will, differ on a per-industry basis.

## **5.10 Manchester must broaden its work in economic development to focus on economics.**

**A strategic approach must be adopted for the target industry development.** Once the recommendations of this effort are made and those desired by Manchester determined, a highly strategic approach must be undertaken for both Retention and Recruitment, making necessary the desire for quick delivery, as well as recognition of limited resources. Efficient. Effective.

**Increased mixed-use development downtown is needed.** Density and mixed use, combined with pedestrian and bike friendly transit, will help reduce traffic and congestion. Additional amenities will attract both local residents and visitors and will add to the overall appeal to the downtown area and the entire City. Furthermore, as business develops, offices benefit from amenities in close proximity.

**ECONOMIC REGION.** An understanding of the economic region must take place, focusing on leveraging and capitalizing on its assets for Manchester's growth and prosperity. This region is defined by AE to include **New York, Connecticut, Rhode Island, New Hampshire, Massachusetts, and NE Canada**. It is defined as such due to the economic impact they have and can have on Manchester through synergies that exist with and within the Economic Region for Manchester.



ECONOMIC DEVELOPMENT AND MARKETING	
STRENGTHS	WEAKNESSES
Knowledge of Issues Have an Office / Program Have Good Resources / Materials	No Solid Focus on Education No Leadership Decisions (Current / Future) No / Lack of Target Industry Focus Too Narrow a View No Retention Strategy Not Leveraging State Help
OPPORTUNITIES	THREATS
Create "Solid / Deep" Office Create / Execute Plan for Future Development Take Leadership Role with Tech / Future / Global Business Growth Become Catalyst for City's Future Planning	No Office / Director No Plan No (Realistic) Budget No City Support Neighboring Cities who "Get It" No Creation of Funding Sources No Focus on Future Market / Business Trends and Needs

The above SWOT (Strengths, Weaknesses, Opportunities, Threats) is representative of the information gathered during interviews and focus groups conducted by AngelouEconomics with the community. The use of the SWOT analysis method (see detailed description on page 17 of this document) is standard in business evaluation practice.

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